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August 2011 Investment Committee Meeting
(June 2011 Reporting Period)**

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California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Quarterly Performance Report
- II. PROGRAM:** Alternative Investment Management (AIM) Program
- III. RECOMMENDATION:** Information
- IV. ANALYSIS:**

Background

In accordance with AIM Program Policy and as provided for in the external resources' contracts, quarterly performance reports are required for the AIM Program. Attachment 1 provides the AIM Portfolio Performance Report as of March 31, 2011. The report may be modified over time to reflect additional enhancements.

Program Review

As of March 31, 2011, the AIM Program had a total exposure of \$51.0 billion. Since inception, the AIM Program has made contributions of \$49.9 billion, received distributions of \$33.3 billion and has a reported value of \$34.7 billion. Of the \$33.3 billion in distributions, \$17.8 billion represents realized gains, income, and dividends. The AIM Program has realized a 1.4x return of contributed capital. Since Inception to March 31, 2011, the AIM Program has generated a net IRR of 11.1%.

V. STRATEGIC PLAN:

Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

Attachment 1 provides the Executive Summary for the Alternative Investment Management Program - Quarterly Review prepared by the Private Edge group of State Street Corporation and reviewed by the Performance Monitoring Unit staff.

DANA C. WARMENHOVEN
Investment Officer
Performance Monitoring Unit

PHIL HENDERSON
Investment Officer
Performance Monitoring Unit

MATT FLYNN
Division Chief
Operations, Performance & Technology

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer



AIM Portfolio

Quarterly Performance Report



QUARTER ENDING MARCH 31, 2011



AIM Portfolio Quarterly Performance Report

Quarter Ending March 31, 2011

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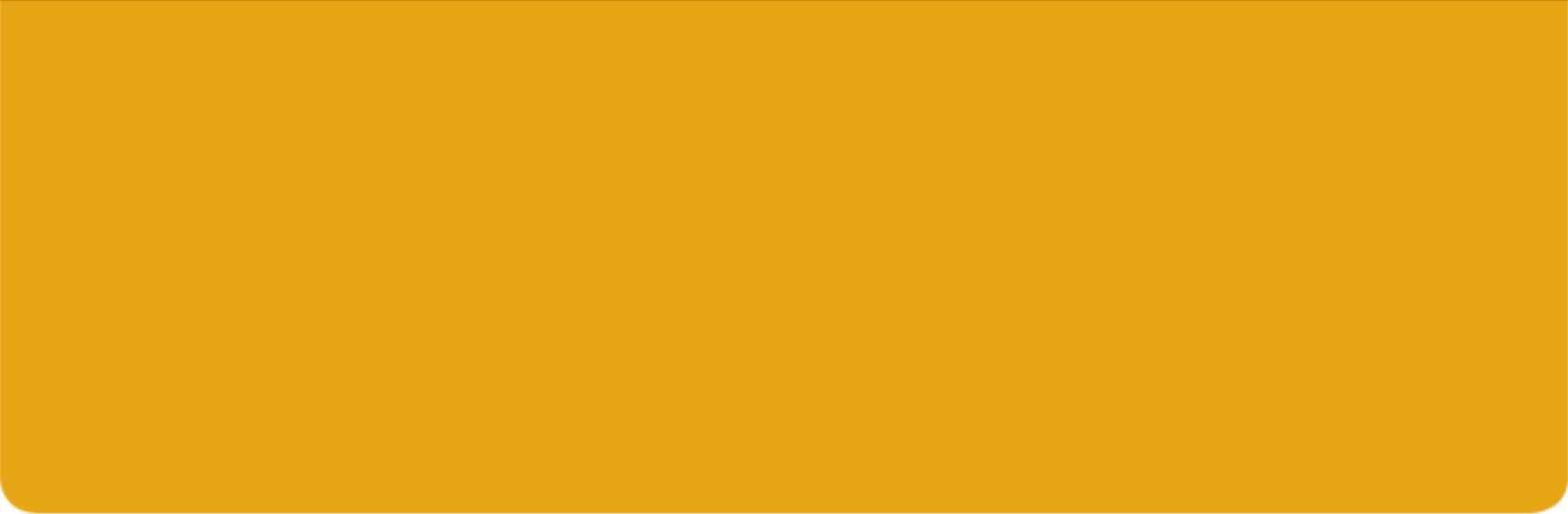
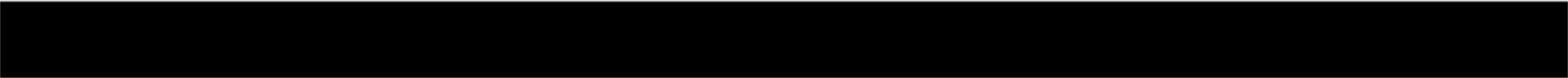
Total AIM Portfolio Performance Detail by Strategy

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Section 1
Executive Summary

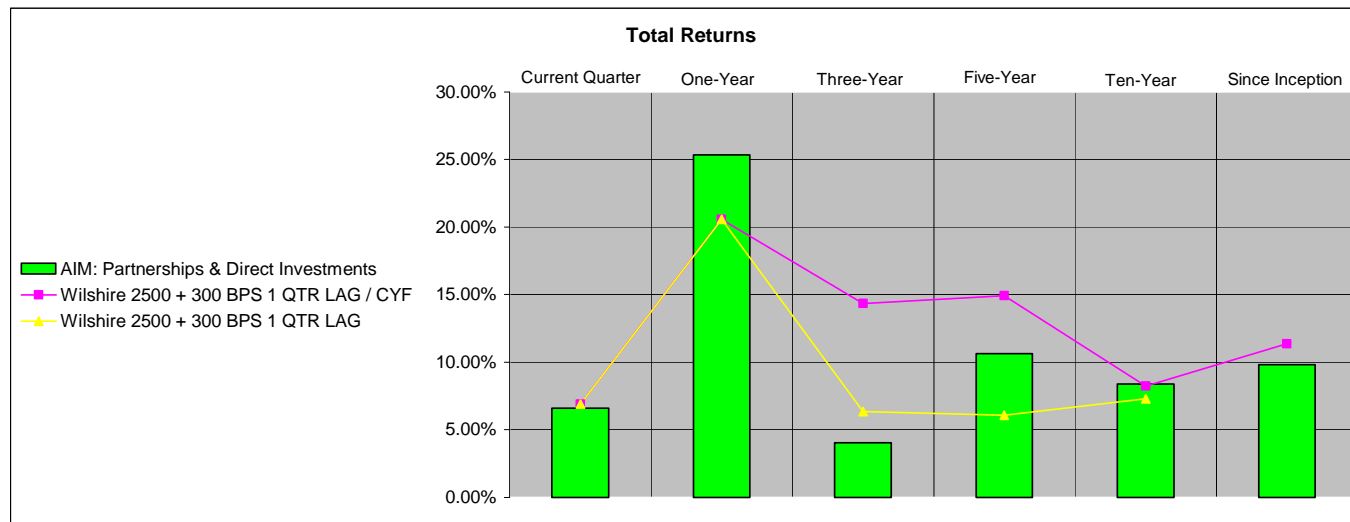


Total Asset Class Performance Review

This quarterly review has been prepared by The Private Edge® Group (“PEG”) at State Street Corporation and reviewed by the CalPERS Portfolio Analytics Staff. It is based on cash flow, valuation and activity data captured by PEG and various AIM Program External Resources. Specific highlights of the portfolio are given below.

Total Asset Class Performance Review

Net Assets at Fair Market Value \$(000's)⁽¹⁾	\$33,612,696					
	Current Quarter	One-Year	Three-Year	Five-Year	Ten-Year	Since Inception
Total⁽²⁾						
AIM: Partnerships & Direct Investments	6.59%	25.34%	4.03%	10.65%	8.40%	9.83%
Benchmark⁽³⁾						
Wilshire 2500 + 300 BPS 1 QTR LAG / CYF⁽⁴⁾	6.89%	20.58%	14.35%	14.92%	8.24%	11.38%
Wilshire 2500 + 300 BPS 1 QTR LAG	6.89%	20.58%	6.35%	6.09%	7.30%	N/A



- (1) Net assets at fair market value and returns shown in the above table and chart were calculated by State Street Investment Analytics as of June 30, 2011 and include distributed stocks.
- (2) Total AIM Portfolio returns shown in this table are time-weighted. Returns shown in the remainder of this report are IRRs, since IRR is the GIPS standard for measuring the performance of a private equity portfolio.
- (3) The Wilshire 2500 + 300 BPS 1 QTR LAG / CYF and Wilshire 2500 + 300 BPS 1 QTR LAG returns shown in the table above are time-weighted.
- (4) The AIM Policy Index is the Wilshire 2500 + 300 BPS lagged one quarter and linked previously to the Custom Young Fund.

Total Asset Class Performance Review

	Capital Contributed ⁽⁷⁾	Distributions		Reported Value ⁽⁹⁾	Investment Multiple
		Return of Capital	Realized Gain ⁽⁸⁾		
Total Active Commitments ⁽⁵⁾	\$41,356.1	\$9,231.2	\$12,341.6	\$34,685.9	1.4x
Total Exited Commitments ⁽⁶⁾	\$8,556.3	\$6,287.7	\$5,434.8	-	1.4x

(5) An active commitment refers to an investment that has not reached the end of its legal term.

(6) An exited commitment is defined as a commitment that has ended in accordance with the terms of the partnership agreement.

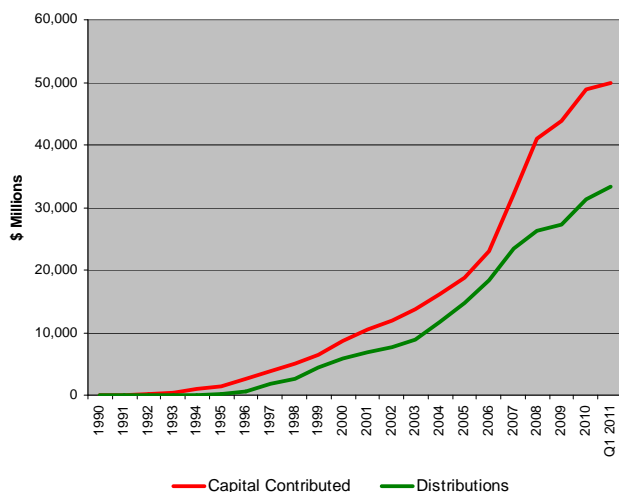
(7) Includes fees in excess of committed capital.

(8) Realized gains include interest, dividends, gains and losses distributed by the general partners in addition to interest paid by CalPERS for participation in subsequent closings of certain investments.

(9) Based on March 31, 2011 values reported by the general partners as of July 18, 2011. The number of partners reporting updated financial information may differ from the Net Assets at Fair Value reported on I-2.

Portfolio Summary/Performance Summary/Portfolio Activity

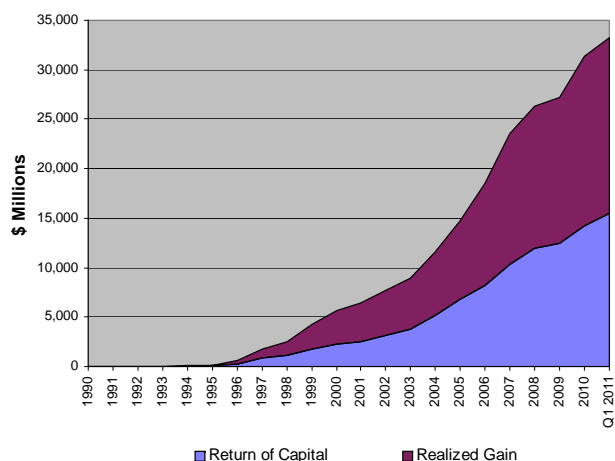
AIM Program Cumulative Cash Flow Since Inception



Portfolio Summary — As of 3/31/2011, the AIM Program had a total exposure of \$51.0 billion. Total exposure is the current reported value of investments plus the remaining amount of unfunded commitments. Since inception, the AIM Program has made contributions of \$49.9 billion, received distributions of \$33.3 billion and has a remaining reported value of \$34.7 billion. Of the \$33.3 billion in distributions, \$17.8 billion represents realized gains, income and dividends.

Performance Summary — At 3/31/2011, the AIM Program generated a ten-year time-weighted return of 8.4%. At 3/31/2011 the public market ten-year rolling average return for the CALPERS' Custom Wilshire 2500 Index plus 300 basis points one quarter lag was 8.2%. As of 3/31/2011, the weighted average age of all the current investments in the AIM Portfolio was 5.2 years. Consequently, a large portion of the portfolio is in the early stage of its investment life, when payment of fees has not been offset by young investments that are held at cost. This is known as the J-Curve effect. Since inception to 3/31/2011, the AIM Program generated a net IRR of 11.1%.

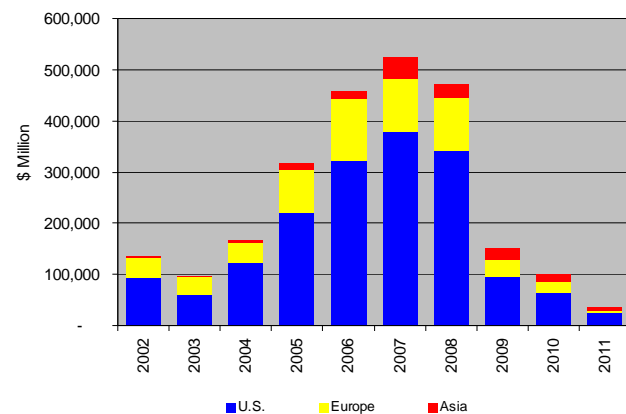
AIM Program Cumulative Cash Distributions Since Inception



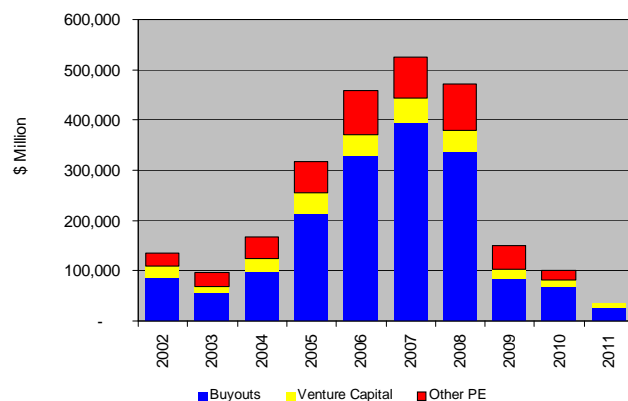
Portfolio Activity — Four new commitments were authorized during the first quarter of 2011 for a total of \$750.2 million. During the first quarter of 2011, the AIM Program received 132 proposals for new investment opportunities. During 2011, the AIM Program contributed \$931.5 million and received distributions of \$1,958.9 million from the underlying portfolio. Of the \$1,958.9 million in distributions, \$653.6 million represent income and realized gains.

Market Overview

Funds Raised (All Private Equity)
by Geographic Location



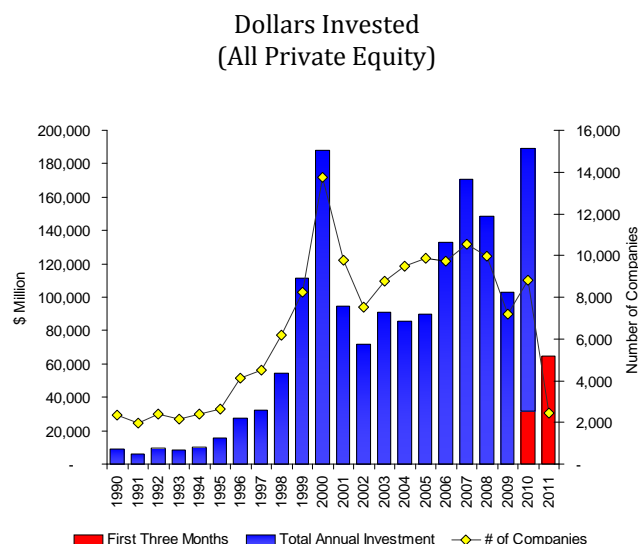
Funds Raised (All Private Equity)
by Strategy



Market Overview

- According to Private Equity Analyst, \$35.3 billion was committed globally to 87 funds during the first quarter of 2011, which is up 34% as compared to the first quarter of 2010 when \$26.3 billion was committed globally to 130 funds. The increase in the amount committed to new funds is a reversal of the trend that began in 2008.
- Commitments to U.S. private equity funds increased sharply, by 61%, during the first quarter of 2011 to \$24.7 billion, comprising 70% of all new funds. Commitments to European private equity funds declined by 19% during the first quarter of 2011 to \$4.3 billion, comprising 12% of all new funds. Commitments to Asian private equity partnerships rose by 11%, during the first quarter of 2011 to \$6.3 billion, comprising 18% of all new funds.
- Venture capital fundraising increased by 85% during the first quarter of 2011 with \$8.0 billion of commitments, comprising 23% of all new funds. Buyout fundraising was up 47% from the first quarter of 2010 with \$26.1 billion committed in the first quarter of 2011, comprising 74% of all new funds. The remaining \$1.2 billion raised in the first quarter of 2011 was committed to other private equity funds (primarily mezzanine funds, fund of funds and secondary funds), comprising 3% of all new funds.

Market Overview



- Venture capital fundraising grew rapidly for U.S. funds, exhibiting a 141% increase in the first quarter of 2011 over the first quarter of 2010. European venture capital fundraising decreased by 64%, while Asian venture capital fundraising declined by 58%. Overall, the average size of a new venture capital fund grew 196% from the first quarter of 2010.

- Buyout fundraising increased significantly for U.S. funds, exhibiting a 93% increase in the first quarter of 2011 over the first quarter of 2010. Asian buyout fundraising increased by 15%, while European buyout fundraising declined by 5%. Overall, the average size of a new buyout fund was 93% larger than in the first quarter of 2010.

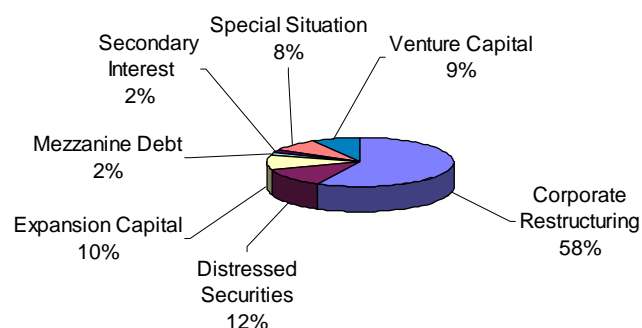
- Deal activity for all private equity during Q1 2011 increased in dollar amount and in the number of companies receiving funding compared to Q1 2010. According to Venture Economics, 2,432 companies received \$64.5 billion in funding in Q1 2011, compared with 2,315 companies that received \$31.8 billion in Q1 2010.

- In Q1 2011, venture capital activity increased in dollar amount and in the number of companies receiving funding compared to Q1 2010. According to Venture Economics, 1,879 companies received \$19.1 billion in venture funding in Q1 2011 compared with 1,812 companies that received \$13.7 billion in Q1 2010. During Q1 2011, buyout activity also increased in dollar amount and in the number of companies that received funding compared to Q1 2010. According to Venture Economics, 988 companies received \$54.4 billion in buyout funding in Q1 2011, compared with 872 companies that received \$24.1 billion in Q1 2010.⁽¹⁰⁾

⁽¹⁰⁾ According to Venture Economics, certain investments meet the definitions for both Venture and Buyout categories and are included in the total for each category. For the purposes of determining the Total Private Equity investments for the quarter, these investments are included only once. As such, the sum of Venture and Buyouts exceeds the Total Private Equity figures for the quarter by the amounts of the investments that meet both Venture and Buyout definitions.

Portfolio Diversification by Strategy

**AIM Program – Portfolio Diversification by Strategy
As a Percentage of Total Exposure
As of March 31, 2011**



Portfolio Diversification by Strategy — The AIM Program invests in all types of private equity and is well diversified. The total exposure is generally consistent with the diversification within the private equity marketplace. Thus, a majority of AIM Program's total exposure is to Corporate Restructuring, Distressed Securities and Expansion Capital.

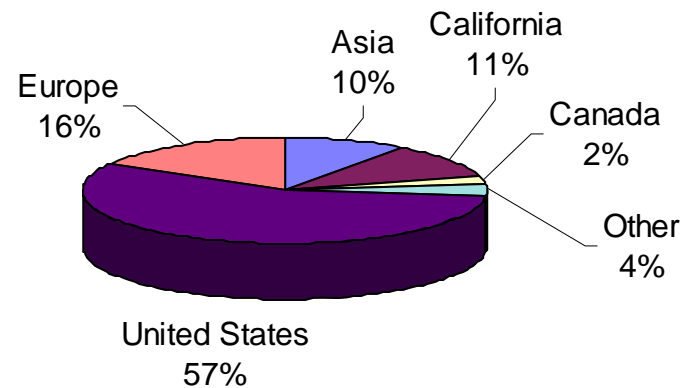
	Unfunded Commitments	Reported Value	Total Exposure	Contributions	Distributions	
					Return of Capital	Realized Gain ⁽¹⁾
Corporate Restructuring	\$10,365.9	\$19,020.1	\$29,386.0	\$22,823.0	\$5,073.8	\$8,219.9
Distressed Securities	\$1,523.9	\$4,660.3	\$6,184.2	\$4,560.8	\$1,072.8	\$646.1
Expansion Capital	\$1,136.3	\$4,024.7	\$5,161.0	\$5,027.5	\$940.8	\$1,487.2
Mezzanine Debt	\$450.9	\$346.2	\$797.1	\$620.1	\$262.6	\$175.7
Secondary Interest	\$307.1	\$587.8	\$894.9	\$1,064.4	\$647.0	\$225.5
Special Situation	\$918.5	\$3,250.9	\$4,169.4	\$2,769.7	\$346.3	\$321.9
Venture Capital	\$1,642.9	\$2,795.9	\$4,438.7	\$4,490.7	\$887.9	\$1,265.4
Total	\$16,345.4	\$34,685.9	\$51,031.3	\$41,356.1	\$9,231.2	\$12,341.6

⁽¹⁾ Realized gains include interest, dividends and gains distributed by the general partners.

Portfolio Diversification by Geographic Location

Portfolio Diversification by Geographic Location — As of March 31, 2011, CalPERS' AIM Portfolio was well diversified by geographic region. By reported market value, 11% of the investments were in companies with their primary locations within California and 57% of the investments were in non-California domestic areas. International portfolio companies represented 32% of the total reported market value of all portfolio companies.

**Portfolio Diversification by Geographic Location
As Measured by CalPERS' Reported Value
As of March 31, 2011**



Portfolio Diversification by Industry

Portfolio Diversification by Industry— As of March 31, 2011, the CalPERS' AIM Portfolio was broadly diversified by industry. The table below outlines the current reported value of the portfolio companies held in the AIM Portfolio.

Portfolio Diversification by Industry

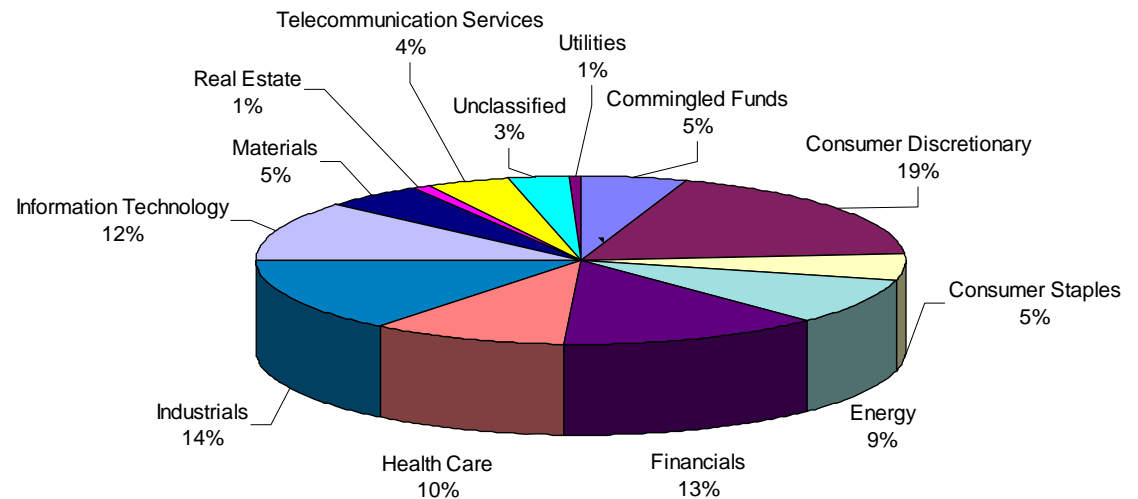
As of March 31, 2011

Industry	Reported Value (US\$ MILLIONS)
Commingled Funds	\$1,781.4
Consumer Discretionary	\$6,424.4
Consumer Staples	\$1,796.9
Energy	\$2,999.6
Financials	\$4,512.2
Health Care	\$3,358.6
Industrials	\$4,974.9
Information Technology	\$3,979.7
Materials	\$1,698.5
Real Estate ⁽¹²⁾	\$330.9
Telecommunication Services	\$1,425.4
Unclassified	\$987.0
Utilities	\$236.5
Total	\$34,506.1

⁽¹²⁾ Real estate held in investment vehicles and private equity funds.

Portfolio Diversification by Industry

Portfolio Diversification by Industry As Measured by CalPERS' Reported Value As of March 31, 2011



Within the overall portfolio, the five largest segments were consumer discretionary, industrials, financials, information technology, and health care. These segments represent 68% of the reported market value of the AIM portfolio.

California Focus

California Focus — As of March 31, 2011, AIM program had \$12.4 billion in total exposure to funds that were either headquartered or had a major presence in California. The total exposure to funds that focus primarily on investments in California were \$1.6 billion. In addition, many AIM Program partnerships actively make investments in California. Currently, California-based companies represent 11% of the reported market value of the AIM Portfolio.

California-Based Portfolio Diversification by Industry

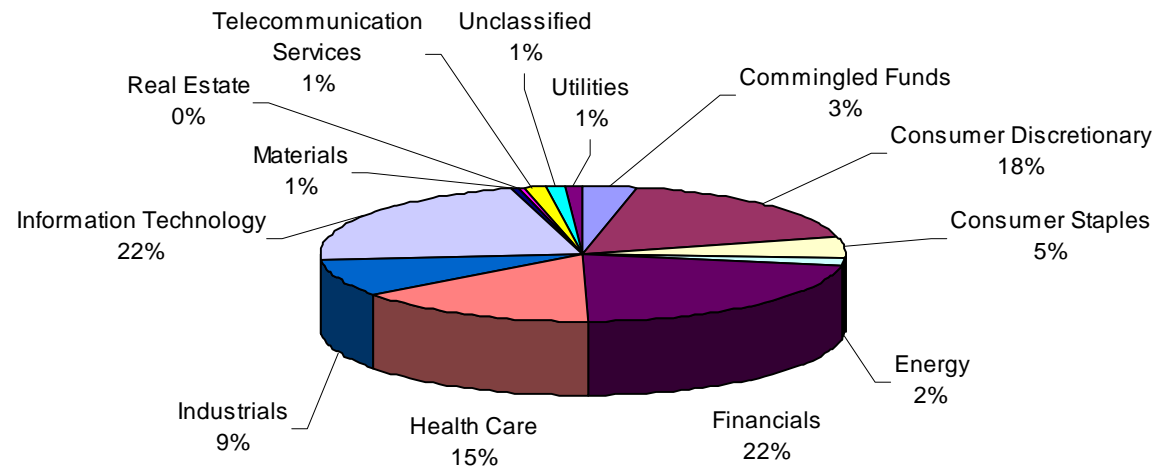
As of March 31, 2011

Industry	Reported Value (US\$ IN MILLIONS)
Commingled Funds	\$121.5
Consumer Discretionary	\$667.3
Consumer Staples	\$205.9
Energy	\$64.5
Financials	\$828.4
Health Care	\$570.2
Industrials	\$323.3
Information Technology	\$843.0
Materials	\$20.4
Real Estate ⁽¹³⁾	\$12.8
Telecommunication Services	\$55.6
Unclassified	\$41.6
Utilities	\$39.7
Total	\$3,794.3

⁽¹³⁾ Real estate held in investment vehicles and private equity funds.

California Focus

California Portfolio Diversification by Industry As Measured by CalPERS' Reported Value As of March 31, 2011



The AIM Program includes a California-oriented component that is designed to take advantage of a number of factors conducive to targeted investment activity within the state: (i) the unique size characteristics of the California economy; (ii) the existence of a “capital gap” for certain business segments within the state; and (iii) the ability to construct a diversified array of investment vehicles that reflects the state’s large number of business entities and the wide range of development cycles that they represent.

Commitments and Contributions Since Inception

Commitments and Contributions Since Inception – Since Inception to March 31, 2011, CalPERS has contributed \$49.9 billion and received distributions of \$33.3 billion, including exited investments. As expected, the earlier vintage year partnerships have the highest deployment percentage as it typically takes some time for each partnership to call down the full amount of committed capital. Vintage year 1991 has the highest investment multiple, returning 2.8x the capital invested. Over \$14.9 billion was committed in 2007, which is the largest commitment amount of any vintage year. As of March 31, 2011, investments with an aggregate commitment of \$1.2 billion have been authorized but not yet funded.

The table on the following page shows total capital committed by vintage year, as well as the capital contributed, reported value, distributions, and investment multiple.

Commitments and Contributions Since InceptionInvestments by Vintage Year
(US\$ in Millions)

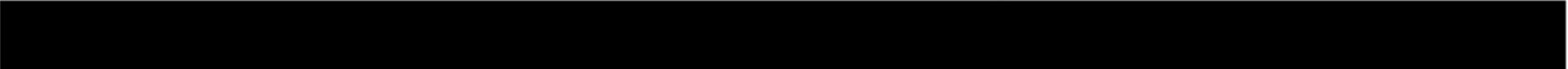
Vintage Year	Capital Committed	Capital Contributed	Reported Value	Return of Capital	Realized Gain⁽¹⁴⁾	Investment Multiple
1990	\$125.3	\$121.9	\$0.0	\$119.6	\$176.3	2.4x
1991	184.4	179.6	0.3	150.4	359.0	2.8x
1992	160.0	156.6	0.4	109.4	232.1	2.2x
1993	563.0	560.0	0.3	480.7	604.8	1.9x
1994	1,502.0	1,410.3	3.2	1,013.8	1,387.2	1.7x
1995	1,197.9	1,137.4	15.8	769.9	1,138.9	1.7x
1996	1,156.4	1,121.9	19.7	679.3	823.9	1.4x
1997	1,102.5	1,075.6	64.3	657.8	862.3	1.5x
1998	2,203.6	2,183.9	211.8	1,515.5	1,239.3	1.4x
1999	1,207.6	1,153.8	129.7	649.5	701.6	1.3x
2000	3,864.9	3,621.6	966.8	2,033.0	2,068.1	1.4x
2001	4,883.7	4,374.6	1,585.8	2,426.0	2,982.5	1.6x
2002	1,091.5	1,041.2	560.6	461.1	541.3	1.5x
2003	1,569.7	1,416.9	904.1	732.0	1,411.6	2.2x
2004	2,073.7	1,850.6	1,286.6	719.1	892.4	1.6x
2005	3,956.4	3,557.5	3,041.5	818.2	882.6	1.3x
2006	8,932.2	7,363.6	6,876.5	717.4	562.7	1.1x
2007	14,914.7	10,358.1	10,614.1	878.2	594.2	1.2x
2008	12,484.4	6,556.0	7,709.0	573.2	301.0	N/M
2009	1,262.8	340.0	356.8	14.3	5.3	N/M
2010	995.3	311.4	320.4	0.7	9.2	N/M
2011	686.3	19.9	18.1	0.0	0.0	N/M
Authorized⁽¹⁵⁾	\$1,175.0	-	-	-	-	N/M
Total	\$67,293.0	\$49,912.5	\$34,685.9	\$15,518.9	\$17,776.3	1.4x

(14) Realized gains include interest, dividends, gains and losses distributed by the general partners in addition to interest paid by CalPERS for participation in subsequent closings of certain investments.

(15) These commitments have been authorized subject to satisfactory final due diligence, negotiation of investment terms and conditions and completion of all legal documents, including opinions of counsel regarding the preservation of CalPERS' limited liability status, and no material changes to the investment opportunity.



Section 2
**Significant Events/Material
Exceptions**



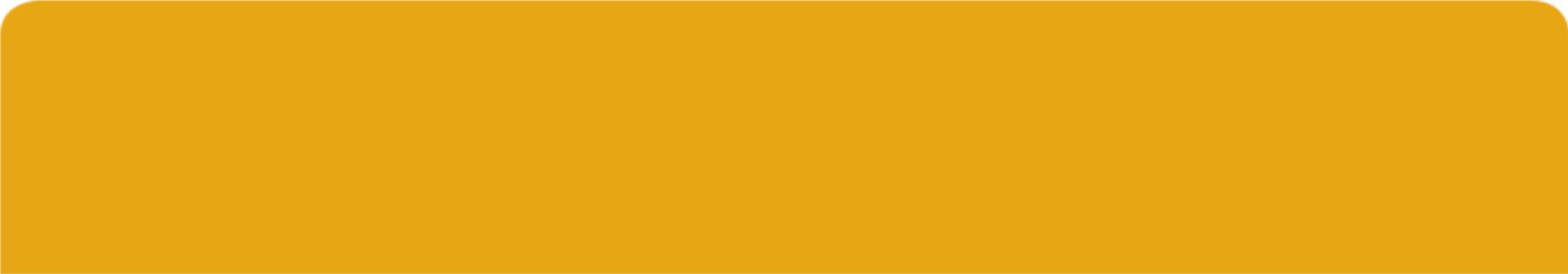
Significant Events/Material Exceptions to Policy

Significant Events

None to report for the quarter ended March 31, 2011.

Material Exceptions to Policy

None to report for the quarter ended March 31, 2011.



Section 3
Performance Detail



Total AIM Portfolio Performance Detail by Strategy

**CalPERS AIM Portfolio
Partnership Detail by Strategy
For the Period Ending March 31, 2011
(US\$ in Millions)**

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
CORPORATE RESTRUCTURING							
Acon-Bastion Partners II, L.P.	2006	\$70.0	\$59.1	\$0.3	\$98.3	23.7	1.7
Advent Global Private Equity IV-A, L.P.	2002	\$25.0	\$24.0	\$72.5	\$78.0	52.3	3.2
Advent International GPE V-D, L.P.	2005	\$82.2	\$76.2	\$96.2	\$172.9	56.0	2.3
Advent International GPE VI-A, L.P.	2008	\$500.0	\$275.0	\$15.0	\$298.7	7.1	1.1
Advent Japan Private Equity Fund, LP	2008	\$134.8	\$9.9	\$0.1	\$0.1	(94.6)	0.0
Advent Latin America Private Equity IV-D	2007	\$200.0	\$147.0	\$36.0	\$226.8	19.2	1.5
Advent Latin America V	2010	\$100.0	\$3.0	\$0.0	(\$0.3)	N/A	(0.1)
Advent Latin American Private Equity III	2006	\$50.0	\$45.0	\$28.1	\$74.8	16.8	1.7
Affinity Asia Pacific Fund III, LP	2007	\$150.0	\$73.4	\$13.4	\$87.7	7.5	1.2
Apollo Investment Fund III, L.P.	1995	\$150.0	\$135.1	\$207.3	\$218.4	10.9	1.6
Apollo Investment Fund IV, L.P.	1998	\$150.0	\$149.7	\$216.7	\$251.2	8.6	1.7
Apollo Investment Fund V, L.P.	2001	\$250.0	\$231.8	\$519.0	\$617.8	38.5	2.7
Apollo Investment Fund VI, L.P.	2006	\$650.0	\$556.5	\$61.4	\$780.8	10.3	1.4
Apollo Investment Fund VII, L.P.	2008	\$1,000.0	\$437.2	\$138.4	\$741.4	33.3	1.7
Audax Private Equity Fund III, L.P.	2007	\$125.0	\$93.6	\$7.3	\$117.5	11.3	1.3
Audax Private Equity II, LP	2005	\$73.0	\$74.2	\$51.2	\$97.6	8.8	1.3
Aurora Equity Partners I, L.P.	1994	\$25.0	\$27.4	\$34.8	\$36.7	7.4	1.3
Aurora Equity Partners II, L.P.	1998	\$75.0	\$82.9	\$60.9	\$115.5	4.9	1.4
Aurora Equity Partners III, L.P.	2004	\$150.0	\$151.2	\$58.7	\$206.4	13.8	1.4
Baring Vostok Private Equity Fund IV	2007	\$77.8	\$46.7	\$0.3	\$53.3	8.1	1.1
Birch Hill Equity Partners (US) IV, LP.	2011	\$152.1	\$6.1	\$0.0	\$6.2	0.5	1.0
Birch Hill Equity Partners III, L.P.	2005	\$125.3	\$118.8	\$69.1	\$182.3	14.4	1.5
Blackstone Capital Partners II, L.P.	1994	\$75.0	\$79.6	\$177.6	\$177.7	37.3	2.2
Blackstone Capital Partners III, L.P.	1997	\$200.0	\$201.2	\$327.2	\$383.2	14.0	1.9

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
CORPORATE RESTRUCTURING							
Blackstone Capital Partners IV, L.P.	2003	\$185.0	\$187.4	\$321.8	\$473.2	40.0	2.5
Blackstone Capital Partners V, L.P.	2006	\$750.0	\$657.8	\$36.1	\$666.7	0.5	1.0
Blackstone Capital Partners VI, L.P.	2011	\$500.0	\$1.2	\$0.0	(\$0.4)	N/A	(0.3)
Blackstone Communications I	2000	\$100.0	\$98.7	\$87.8	\$122.1	7.8	1.2
Bridgepoint Europe I, L.P.	2000	\$41.3	\$31.0	\$55.1	\$56.6	16.8	1.8
Bridgepoint Europe II, L.P.	2001	\$117.2	\$109.9	\$200.3	\$220.0	30.5	2.0
Bridgepoint Europe III, L.P.	2005	\$206.5	\$187.2	\$10.8	\$199.4	1.8	1.1
Bridgepoint Europe IV, L.P.	2008	\$419.2	\$117.4	\$0.0	\$108.5	(7.2)	0.9
Candover 1997 Fund, L.P.	1998	\$91.3	\$81.2	\$154.9	\$154.9	18.1	1.9
Candover 2001 Fund, L.P.	2001	\$174.0	\$174.0	\$261.9	\$287.6	17.7	1.7
Candover 2005 Fund, L.P.	2006	\$206.6	\$195.6	\$18.6	\$116.3	(17.3)	0.6
Candover 2008 Fund, L.P.	2008	\$40.1	\$27.7	\$0.5	\$19.8	(13.1)	0.7
Capital Link Fund I, LP	2007	\$500.0	\$368.3	\$56.4	\$442.3	8.7	1.2
Carlyle Asia Partners (PV II), L.P.	2000	\$75.0	\$73.4	\$128.4	\$216.5	19.7	3.0
Carlyle Asia Partners II, L.P.	2006	\$150.0	\$145.2	\$70.6	\$211.2	11.1	1.5
Carlyle Asia Partners III, L.P.	2008	\$300.0	\$141.2	\$2.7	\$166.2	12.8	1.2
Carlyle Europe Partners II, L.P.	2003	\$69.5	\$64.6	\$62.4	\$111.7	23.8	1.7
Carlyle Europe Partners III, L.P.	2007	\$423.0	\$254.8	\$0.3	\$226.4	(6.3)	0.9
Carlyle Global Financial Services, LP	2008	\$150.0	\$102.7	\$11.1	\$139.2	28.1	1.4
Carlyle Japan Partners I, L.P.	2001	\$26.5	\$24.7	\$43.4	\$51.7	33.7	2.1
Carlyle Japan Partners II, L.P.	2006	\$157.1	\$120.6	\$0.0	\$110.7	(5.0)	0.9
Carlyle Mexico Partners, L.P.	2005	\$25.0	\$21.3	\$18.4	\$30.9	18.2	1.4
Carlyle Partners II, L.P.	1996	\$80.0	\$80.0	\$195.5	\$203.2	25.3	2.5
Carlyle Partners III, L.P.	2000	\$150.0	\$135.5	\$296.1	\$318.7	22.6	2.4
Carlyle Partners IV, L.P.	2005	\$300.0	\$279.8	\$150.4	\$434.0	11.0	1.6
Carlyle Partners V, L.P.	2007	\$1,000.0	\$613.9	\$116.7	\$675.8	5.3	1.1
Carlyle/Riverstone Glob Engy & Power II	2003	\$75.0	\$70.6	\$138.6	\$195.3	56.1	2.8
Carlyle/Riverstone Glob Engy & Power III	2005	\$250.0	\$234.3	\$96.4	\$392.5	15.9	1.7
Clean Energy & Technology Fund, LLC	2007	\$480.0	\$274.9	\$9.4	\$229.7	(8.3)	0.8
Clessidra Capital Partners	2005	\$68.7	\$68.1	\$67.6	\$99.9	60.6	1.5

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
CORPORATE RESTRUCTURING							
Clessidra Capital Partners II	2008	\$210.0	\$40.7	\$16.9	\$33.5	(10.0)	0.8
Court Square Capital Partners II, L.P.	2007	\$150.0	\$97.1	\$0.8	\$120.2	10.4	1.2
CVC Capital Partners Asia Pacific II, LP	2005	\$100.0	\$93.9	\$22.9	\$81.8	(3.7)	0.9
CVC Capital Partners Asia Pacific III, LP	2008	\$150.0	\$66.9	\$1.3	\$66.2	(0.5)	1.0
CVC European Equity Partners I, L.P.	1996	\$50.0	\$48.4	\$121.2	\$130.1	23.1	2.7
CVC European Equity Partners II, L.P.	1998	\$150.0	\$139.1	\$299.0	\$322.1	19.1	2.3
CVC European Equity Partners III, L.P.	2001	\$200.0	\$191.8	\$460.4	\$572.3	42.2	3.0
CVC European Equity Partners IV, L.P.	2005	\$397.8	\$346.7	\$201.2	\$481.8	13.0	1.4
CVC European Equity Partners Tandem Fund	2007	\$563.7	\$476.8	\$51.1	\$537.5	5.2	1.1
CVC European Equity Partners V, L.P.	2008	\$702.7	\$360.1	\$21.3	\$408.9	11.1	1.1
Doughty Hanson & Co. II, L.P.	1995	\$50.0	\$44.3	\$92.9	\$92.9	46.2	2.1
Ethos Private Equity Fund III	1996	\$25.0	\$26.4	\$44.1	\$44.2	12.9	1.7
Exxel Capital Partners V, L.P.	1998	\$75.0	\$81.9	\$4.7	\$4.9	(39.2)	0.1
Falconhead Capital Partners II, LP	2006	\$50.0	\$40.2	\$2.1	\$51.2	8.5	1.3
Fenway Partners Capital Fund, L.P.	1996	\$100.0	\$98.7	\$98.6	\$99.7	0.2	1.0
First Reserve Fund IX, L.P.	2001	\$125.0	\$125.0	\$375.4	\$375.4	48.2	3.0
First Reserve Fund X, L.P.	2004	\$125.0	\$125.0	\$155.3	\$242.7	37.3	1.9
First Reserve Fund XI, L.P.	2006	\$500.0	\$377.4	\$97.0	\$420.8	3.7	1.1
First Reserve Fund XII, L.P.	2008	\$300.0	\$156.6	\$13.0	\$134.2	(9.0)	0.9
Francisco Partners I, L.P.	2000	\$50.0	\$47.9	\$41.2	\$59.2	4.5	1.2
Francisco Partners II, L.P.	2006	\$175.0	\$156.2	\$50.0	\$210.4	12.7	1.3
FS Equity Partners III, L.P.	1994	\$75.0	\$75.0	\$164.9	\$164.9	16.4	2.2
FS Equity Partners V, L.P.	2003	\$50.0	\$39.4	\$29.3	\$64.0	13.2	1.6
GCP Co-investors, LLC	2003	\$50.0	\$40.7	\$502.5	\$502.5	94.2	12.3
Global Opportunities Fund II, LLC	2009	\$600.0	\$41.4	\$0.0	\$36.2	(18.3)	0.9
Global Opportunities Fund, LLC	2007	\$430.0	\$239.0	\$2.9	\$330.7	15.9	1.4
Golder, Thoma, Cressey & Rauner Fund IV	1994	\$25.0	\$25.0	\$52.8	\$53.0	25.1	2.1
Green Equity Investors III, L.P.	1999	\$125.0	\$113.8	\$250.5	\$262.1	21.6	2.3
Green Equity Investors IV, L.P.	2003	\$150.0	\$132.8	\$43.4	\$207.6	9.9	1.6
Green Equity Investors V, L.P.	2007	\$400.0	\$284.5	\$65.8	\$377.3	20.2	1.3

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
CORPORATE RESTRUCTURING							
Hellman & Friedman Capital Partners II	1991	\$100.0	\$87.3	\$239.1	\$239.1	22.5	2.7
Hellman & Friedman Capital Partners IV	2000	\$150.0	\$134.6	\$352.9	\$375.4	34.6	2.8
Hellman & Friedman Capital Partners V	2004	\$200.0	\$178.4	\$241.4	\$427.3	30.3	2.4
Hellman & Friedman Capital Partners VI	2007	\$600.0	\$520.7	\$88.0	\$628.8	7.7	1.2
Huntsman Gay Capital Partners Fund, LP	2008	\$180.0	\$96.7	\$0.0	\$103.6	5.7	1.1
ICV Partners, L.P.	2001	\$10.0	\$8.3	\$13.4	\$13.4	13.4	1.6
Inner City Ventures II, L.P.	2005	\$31.2	\$23.7	\$2.1	\$28.7	8.6	1.2
Ironbridge Capital 2003/4	2004	\$30.0	\$30.1	\$23.7	\$35.2	6.1	1.2
Ironbridge Fund II, LP	2006	\$69.2	\$54.3	\$14.9	\$78.1	14.5	1.4
KKR 2006 Fund	2006	\$500.0	\$416.8	\$67.5	\$480.5	4.5	1.2
KKR Asian Fund, LP	2007	\$275.0	\$185.0	\$7.5	\$242.4	14.8	1.3
KKR European Fund I, L.P.	2001	\$75.0	\$79.9	\$161.9	\$199.1	25.4	2.5
KKR European Fund II, L.P.	2005	\$198.0	\$205.0	\$35.7	\$192.0	(1.7)	0.9
KKR European Fund III, L.P.	2008	\$348.2	\$145.8	\$0.0	\$142.1	(2.3)	1.0
KKR Millennium Fund	2002	\$150.0	\$154.2	\$152.4	\$286.6	19.1	1.9
Levine Leichtman Capital Partners II, L.P.	1998	\$150.0	\$166.1	\$166.3	\$224.4	7.1	1.4
Levine Leichtman Capital Partners III, L.P.	2003	\$50.0	\$52.6	\$40.4	\$68.3	9.7	1.3
Levine Leichtman Capital Partners IV, L.P.	2008	\$75.0	\$32.6	\$0.7	\$39.6	17.4	1.2
Lion Capital Fund II, L.P.	2007	\$212.1	\$169.9	\$7.5	\$172.9	0.6	1.0
Madison Dearborn Capital Partners II LP	1997	\$60.0	\$60.0	\$140.0	\$140.0	22.0	2.3
Madison Dearborn Capital Partners III LP	1999	\$100.0	\$100.2	\$148.9	\$152.8	8.6	1.5
Madison Dearborn Capital Partners IV, LP	2000	\$150.0	\$150.8	\$152.7	\$274.3	15.3	1.8
Madison Dearborn Capital Partners V, LP	2006	\$300.0	\$266.8	\$35.6	\$272.4	0.6	1.0
Magnum Capital, LP	2007	\$137.8	\$79.5	\$7.3	\$83.6	2.5	1.1
Markstone Capital	2004	\$50.0	\$43.6	\$13.4	\$45.7	1.4	1.0
New Mountain Partners II, L.P.	2005	\$150.0	\$119.5	\$49.8	\$170.9	9.1	1.4
New Mountain Partners III, L.P.	2007	\$400.0	\$183.4	\$14.2	\$183.8	0.1	1.0
Newbridge Asia III, L.P.	2003	\$75.0	\$68.5	\$256.3	\$257.3	30.0	3.8
Newbridge Asia IV, L.P.	2005	\$180.0	\$168.5	\$144.5	\$366.0	23.8	2.2
Oak Hill Capital Partners II, L.P.	2004	\$75.0	\$71.0	\$12.9	\$102.7	9.8	1.4

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
CORPORATE RESTRUCTURING							
Oak Hill Capital Partners III, L.P.	2007	\$300.0	\$171.3	\$0.9	\$168.0	(0.9)	1.0
Palladium Equity Partners III	2004	\$193.8	\$134.2	\$47.4	\$176.8	11.6	1.3
Permira Europe I, L.P.	1997	\$90.6	\$83.9	\$216.5	\$218.2	74.5	2.6
Permira Europe III, L.P.	2004	\$127.4	\$125.0	\$165.6	\$220.5	31.5	1.8
Permira Europe IV, L.P.	2006	\$347.5	\$256.8	\$3.3	\$264.0	1.0	1.0
Providence Equity Partners V, L.P.	2005	\$125.0	\$113.8	\$20.4	\$147.0	5.4	1.3
Providence Equity Partners VI, L.P.	2007	\$400.0	\$285.9	\$0.5	\$310.6	3.2	1.1
Quadrangle Capital Partners II	2005	\$100.0	\$77.6	\$19.4	\$103.0	8.7	1.3
Rhone Capital III, LP	2006	\$135.9	\$126.7	\$58.4	\$156.3	10.6	1.2
Ripplewood Partners II, L.P.	2001	\$50.0	\$51.9	\$46.5	\$66.8	8.4	1.3
Riverstone/Carlyle Glob Engy & Power IV	2008	\$500.0	\$325.9	\$52.9	\$450.9	23.7	1.4
Riverstone/Carlyle Renew & Alt Energy II	2008	\$300.0	\$147.0	\$0.1	\$165.3	7.0	1.1
Riverwood Capital Partners, L.P.	2010	\$150.0	\$49.3	\$0.1	\$35.4	(86.6)	0.7
Silver Lake Partners I, LP	1999	\$73.2	\$66.3	\$153.7	\$153.8	25.1	2.3
Silver Lake Partners II, LP	2004	\$125.0	\$109.8	\$76.2	\$173.7	11.6	1.6
Silver Lake Partners III, LP	2007	\$600.0	\$313.3	\$19.4	\$322.2	1.5	1.0
Silver Lake Sumeru Fund, LP	2007	\$220.0	\$113.4	\$0.0	\$176.4	25.2	1.6
The Resolute Fund II, L.P.	2008	\$200.0	\$73.9	\$10.8	\$73.8	(0.1)	1.0
Thomas H. Lee Equity Partners V, L.P.	2001	\$200.0	\$206.0	\$232.4	\$315.9	13.1	1.5
Thomas H. Lee Equity Partners VI, L.P.	2006	\$300.0	\$204.9	\$9.5	\$228.2	3.5	1.1
TowerBrook Investors I, L.P.	2001	\$57.3	\$68.3	\$182.2	\$192.0	41.2	2.8
TowerBrook Investors II, L.P.	2005	\$200.0	\$147.7	\$49.5	\$203.6	8.9	1.4
TowerBrook Investors III, L.P.	2008	\$300.0	\$100.7	\$26.8	\$138.5	22.8	1.4
TPG Asia V, L.P.	2007	\$360.0	\$216.1	\$25.7	\$209.6	(2.2)	1.0
TPG Partners III, L.P.	2000	\$150.0	\$128.1	\$296.6	\$323.8	24.7	2.5
TPG Partners IV, L.P.	2003	\$200.0	\$185.6	\$147.3	\$324.2	16.0	1.7
TPG Partners V, L.P.	2006	\$750.0	\$626.1	\$68.4	\$506.3	(6.3)	0.8
TPG Partners VI, L.P.	2008	\$855.0	\$383.7	\$13.2	\$371.3	(3.2)	1.0
Tricor Pacific Capital (Fund IV), LP	2006	\$106.1	\$76.9	\$2.6	\$78.4	0.8	1.0
Welsh, Carson, Anderson & Stowe IX, L.P.	2000	\$125.0	\$120.0	\$155.8	\$192.8	11.6	1.6

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
CORPORATE RESTRUCTURING							
Welsh, Carson, Anderson & Stowe VI, LP	1993	\$50.0	\$50.0	\$100.3	\$100.6	12.9	2.0
Welsh, Carson, Anderson & Stowe VII, LP	1995	\$150.0	\$150.0	\$325.6	\$328.6	17.9	2.2
Welsh, Carson, Anderson & Stowe VIII, LP	1998	\$150.0	\$150.0	\$166.1	\$193.0	3.1	1.3
Welsh, Carson, Anderson & Stowe X, L.P.	2005	\$175.0	\$164.5	\$26.6	\$176.2	1.9	1.1
Welsh, Carson, Anderson & Stowe XI, L.P.	2009	\$125.0	\$46.0	\$0.0	\$42.0	(11.3)	0.9
Yucaipa American Alliance Fund I, L.P.	2002	\$200.0	\$197.5	\$121.4	\$253.8	8.3	1.3
Yucaipa American Alliance Fund II, L.P.	2008	\$400.0	\$245.1	\$25.9	\$367.8	24.4	1.5
Yucaipa Corporate Initiative Fund I	2001	\$200.0	\$199.3	\$34.1	\$164.2	(3.5)	0.8
Yucaipa Corporate Initiative Fund II	2008	\$100.0	\$33.8	\$0.1	\$19.7	(29.1)	0.6
DISTRESSED SECURITIES							
Apollo Artus Investors 2007 I LP	2007	\$100.0	\$100.0	\$0.0	\$115.9	4.5	1.2
Apollo Asia Opportunity Fund, LP	2007	\$50.0	\$50.0	\$0.0	\$48.9	(0.6)	1.0
Apollo Special Opp. Managed Acct, L.P.	2007	\$800.0	\$800.0	\$4.0	\$1,120.8	10.3	1.4
Ares Special Situations Fund, LP.	2007	\$150.0	\$150.0	\$0.8	\$215.4	14.3	1.4
Ares/CalPERS CLO	2007	\$140.0	\$140.0	\$52.8	\$148.1	2.1	1.1
Asia Recovery Fund	2000	\$100.0	\$58.3	\$78.7	\$83.4	9.0	1.4
Audax Credit Opportunities Fund, LP	2007	\$25.0	\$25.0	\$0.0	\$30.6	6.8	1.2
Aurora Resurgence Fund (C), L.P.	2007	\$400.0	\$146.9	\$1.4	\$228.3	23.1	1.6
Avenue Asia Special Situations III, L.P.	2003	\$100.0	\$76.9	\$68.4	\$105.8	7.4	1.4
Avenue Asia Special Situations IV, L.P.	2006	\$300.0	\$273.3	\$94.4	\$306.5	4.8	1.1
Avenue Europe Special Situations Fund LP	2008	\$220.8	\$162.7	\$0.6	\$247.5	19.4	1.5
Avenue Special Situations Fund II, L.P.	2001	\$75.0	\$77.3	\$119.2	\$119.2	18.4	1.5
Avenue Special Situations Fund III, L.P.	2003	\$75.0	\$57.7	\$96.5	\$96.5	17.4	1.7
Avenue Special Situations Fund IV, L.P.	2006	\$150.0	\$150.0	\$165.5	\$209.6	8.9	1.4
Avenue Special Situations Fund V, LP	2007	\$400.0	\$400.0	\$416.4	\$543.0	12.8	1.4
Blackstone - GSO Capital Solutions LP	2010	\$250.0	\$77.8	\$4.2	\$95.2	27.9	1.2
Carlyle High Yield Partners 2008-1	2007	\$150.0	\$151.1	\$175.0	\$282.6	28.7	1.9
Carlyle High Yield Partners IV, L.P.	2002	\$5.0	\$5.0	\$6.8	\$7.4	13.2	1.5
Carlyle Strategic Partners I, L.P.	2004	\$50.0	\$33.9	\$48.6	\$78.1	30.7	2.3
Carlyle Strategic Partners II, L.P.	2007	\$75.0	\$64.5	\$5.4	\$93.2	15.7	1.4

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
DISTRESSED SECURITIES							
Clearwater Capital Partners I, LP	2001	\$41.7	\$41.7	\$23.6	\$41.6	(0.2)	1.0
Clearwater Capital Partners II, LP	2005	\$54.4	\$54.4	\$27.8	\$76.5	7.4	1.4
Clearwater Capital Partners III, LP	2006	\$150.0	\$142.5	\$13.3	\$185.3	8.4	1.3
Green Credit Investors, LP	2008	\$100.0	\$100.0	\$113.5	\$113.5	7.8	1.1
KPS Special Situations Fund III, LP	2007	\$175.0	\$44.0	\$13.8	\$75.0	25.3	1.7
Levine Leichtman Deep Value	2005	\$75.0	\$74.7	\$24.7	\$83.3	3.9	1.1
MHR Institutional Partners II, L.P.	2003	\$50.0	\$50.0	\$32.8	\$78.8	13.5	1.6
MHR Institutional Partners III, L.P.	2006	\$350.0	\$247.1	\$1.8	\$288.9	5.3	1.2
OCM Opportunities Fund I, L.P.	1996	\$20.0	\$20.0	\$32.8	\$32.8	10.3	1.6
Silver Lake Credit Fund, L.P.	2008	\$100.0	\$100.0	\$0.0	\$143.9	12.9	1.4
TPG Credit Strategies Fund, L.P.	2007	\$75.0	\$75.0	\$0.3	\$88.4	4.7	1.2
Wayzata Opportunities Fund I, LLC	2006	\$75.0	\$69.2	\$15.4	\$119.2	12.4	1.7
Wayzata Opportunities Fund II, LLC	2007	\$250.0	\$163.3	\$1.1	\$267.4	16.4	1.6
WLR Recovery Fund I, L.P.	1997	\$50.0	\$50.0	\$173.7	\$180.3	35.2	3.6
WLR Recovery Fund II, L.P.	2002	\$50.0	\$50.0	\$97.4	\$122.7	79.1	2.5
WLR Recovery Fund III, L.P.	2005	\$198.0	\$198.0	\$75.9	\$217.3	2.6	1.1
WLR Recovery Fund IV, L.P.	2007	\$400.0	\$227.6	\$37.0	\$295.8	11.8	1.3
EXPANSION CAPITAL							
ArcLight Energy Partners Fund II	2004	\$75.0	\$63.5	\$87.3	\$106.8	18.4	1.7
ArcLight Energy Partners Fund III, LP	2006	\$200.0	\$172.8	\$47.1	\$225.1	7.5	1.3
ArcLight Energy Partners Fund IV, LP	2007	\$250.0	\$189.9	\$48.6	\$238.2	9.6	1.3
Asia Alternatives Capital Partners	2007	\$114.1	\$85.5	\$8.1	\$116.9	12.2	1.4
Asia Alternatives Capital Partners II, LP	2008	\$50.0	\$11.1	\$1.5	\$12.3	9.5	1.1
CalPERS Corporate Partners Fund, L.P.	2001	\$500.0	\$475.7	\$495.6	\$670.0	8.2	1.4
Carlyle Asia Growth Partners III, L.P.	2005	\$75.0	\$69.0	\$0.6	\$72.8	1.5	1.1
Carlyle Asia Growth Partners IV, L.P.	2008	\$150.0	\$43.6	\$1.3	\$61.2	31.6	1.4
Carlyle U.S. Growth Fund III, L.P.	2006	\$75.0	\$62.8	\$0.6	\$73.5	6.1	1.2
Carlyle/Riverstone Renew Energy Infrast	2006	\$60.0	\$59.4	\$0.1	\$34.7	(16.0)	0.6
China Privatization Fund I, L.P.	2006	\$100.0	\$68.6	\$0.0	\$70.6	0.7	1.0
Community Bancorp	2010	\$80.0	\$49.6	\$0.0	\$49.6	0.0	1.0

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
EXPANSION CAPITAL							
EM Alternatives	2007	\$100.0	\$48.7	\$3.9	\$52.1	3.7	1.1
Emerging Europe, L.P.	2001	\$95.2	\$83.2	\$65.1	\$65.1	(5.7)	0.8
Generation Capital Partners, L.P.	1996	\$50.0	\$46.9	\$58.6	\$59.0	6.4	1.3
Golden State Investment Fund	2006	\$560.0	\$384.0	\$71.9	\$378.9	(0.6)	1.0
Insight Venture Partners V, L.P.	2005	\$46.5	\$45.3	\$45.8	\$87.3	22.3	1.9
Insight Venture Partners VI	2007	\$68.0	\$63.7	\$4.3	\$87.6	21.6	1.4
KM Corporate Partners Fund II, L.P.	2007	\$240.0	\$143.2	\$3.5	\$183.5	12.6	1.3
Lime Rock Partners III, LP	2004	\$25.0	\$24.5	\$4.8	\$27.8	3.6	1.1
Lime Rock Partners IV, LP	2006	\$43.0	\$34.2	\$0.0	\$41.7	7.0	1.2
Lime Rock Partners V, LP	2008	\$85.0	\$50.1	\$0.0	\$67.9	23.5	1.4
Lombard Asia III	2007	\$46.9	\$30.6	\$0.9	\$41.2	12.7	1.3
Lombard Thailand Partners, L.P.	2001	\$75.0	\$64.9	\$54.6	\$138.0	15.9	2.1
Lombard/Pacific Partners, L.P.	1995	\$400.0	\$355.4	\$465.8	\$466.6	5.9	1.3
Nogales Investors Fund I, LP	2001	\$25.0	\$24.7	\$7.6	\$12.2	(19.6)	0.5
Nogales Investors Fund II, L.P.	2006	\$21.2	\$15.3	(\$0.0)	\$14.1	(4.0)	0.9
Opportunity Capital Partners IV, L.P.	2001	\$25.0	\$22.2	\$4.0	\$6.0	(27.9)	0.3
Permira U.K. Venture III	1991	\$12.7	\$13.3	\$37.2	\$37.5	31.1	2.8
Permira U.K. Venture IV	1996	\$30.5	\$30.2	\$43.2	\$44.6	10.6	1.5
Pharos Capital Partners II-A	2005	\$25.0	\$21.1	\$5.9	\$31.4	12.4	1.5
Polish Enterprise Fund IV, L.P.	2000	\$50.0	\$51.8	\$97.0	\$140.2	28.2	2.7
Polish Enterprise Fund V, L.P.	2004	\$58.2	\$59.4	\$55.4	\$131.2	20.8	2.2
Polish Enterprise Fund VI, L.P.	2006	\$141.8	\$98.6	\$12.6	\$63.9	(17.8)	0.6
RFG Private Equity Group	2004	\$34.0	\$33.1	\$23.5	\$42.0	7.7	1.3
Richardson Capital Private Equity LP 2	2006	\$47.8	\$24.1	\$0.4	\$14.9	(15.3)	0.6
Rosewood Capital V, LP	2006	\$30.2	\$24.3	\$0.0	\$21.1	(4.1)	0.9
SAIF Partners III	2007	\$100.0	\$99.9	\$7.7	\$145.4	14.7	1.5
SAIF Partners IV	2010	\$120.0	\$21.9	\$0.0	\$21.4	(3.8)	1.0
SPV VCOC, L.P.	2000	\$28.2	\$30.6	\$43.5	\$43.6	20.5	1.4
T3 Partners II, L.P.	2001	\$57.0	\$49.5	\$147.4	\$156.4	95.3	3.2
TA X, LP	2006	\$100.0	\$96.5	\$23.0	\$101.0	1.6	1.0

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
EXPANSION CAPITAL							
Tailwind Capital Partners I, L.P.	2007	\$77.5	\$55.8	\$3.1	\$64.7	7.6	1.2
TPG [STAR], L.P.	2007	\$150.0	\$104.9	\$3.7	\$135.6	13.9	1.3
TSG Capital Fund III, L.P.	1998	\$50.0	\$49.4	\$26.2	\$26.2	(13.5)	0.5
MEZZANINE DEBT							
Audax Mezzanine Partners II	2006	\$100.0	\$76.7	\$20.4	\$93.6	7.7	1.2
Blackstone Mezzanine Partners	1999	\$100.0	\$86.2	\$101.3	\$112.8	9.5	1.3
Central Valley Fund	2005	\$40.0	\$29.0	\$18.2	\$36.2	12.1	1.2
Darby Converging Europe Mezzanine Fund	2006	\$33.7	\$33.4	\$1.9	\$35.2	1.9	1.1
Gleacher Mezzanine Fund I, LP	2001	\$45.0	\$38.4	\$57.3	\$57.6	20.1	1.5
Gleacher Mezzanine Fund II, LP	2007	\$80.0	\$36.0	\$10.2	\$40.0	6.4	1.1
GSO Capital Opportunities Fund, LP	2008	\$100.0	\$57.3	\$18.8	\$79.2	16.0	1.4
KB Mezzanine Fund II, L.P.	1996	\$32.5	\$32.5	\$16.2	\$16.2	(13.0)	0.5
Rice Partners II, L.P.	1994	\$60.0	\$59.8	\$52.6	\$52.6	(3.4)	0.9
TA Subordinated Debt Fund II, LP	2006	\$65.0	\$53.0	\$26.3	\$61.3	6.6	1.2
SECONDARY INTEREST							
Asia Alternatives Capital Partners II, LP	2008	\$150.0	\$34.5	\$2.6	\$45.1	25.9	1.3
Coller International Partners III, L.P.	1999	\$100.0	\$100.9	\$140.3	\$145.6	14.1	1.4
Coller International Partners IV, L.P.	2002	\$100.0	\$87.5	\$78.2	\$123.9	15.3	1.4
Coller International Partners V, L.P.	2006	\$375.0	\$273.8	\$63.4	\$314.3	7.2	1.1
Lexington Capital Partners II, L.P.	1998	\$150.0	\$148.3	\$183.1	\$195.8	8.2	1.3
Lexington Capital Partners III, L.P.	1999	\$100.0	\$98.6	\$112.1	\$122.1	8.6	1.2
Lexington Capital Partners IV, L.P.	2000	\$100.0	\$98.1	\$154.7	\$174.2	19.6	1.8
Lexington Capital Partners V, L.P.	2002	\$50.0	\$49.6	\$62.5	\$80.4	20.6	1.6
Lexington Middle Markets Investors, L.P.	2005	\$50.0	\$41.4	\$21.6	\$52.6	10.2	1.3
W Capital Partners I, L.P.	2004	\$25.0	\$23.5	\$16.0	\$21.8	(2.9)	0.9
W Capital Partners II, L.P.	2007	\$141.1	\$91.0	\$24.6	\$151.0	24.8	1.7
SPECIAL SITUATION							
1818 Fund II, L.P.	1993	\$75.0	\$75.1	\$128.5	\$128.5	11.4	1.7
AP Investment Europe, Ltd.	2007	\$75.9	\$75.1	\$19.6	\$36.3	(21.6)	0.5
Apollo Credit Opportunities Fund I, LP	2008	\$1,000.0	\$940.2	\$229.3	\$1,935.4	30.2	2.1

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
SPECIAL SITUATION							
Apollo European Principal Finance Fund	2008	\$72.3	\$62.4	\$23.3	\$67.3	5.1	1.1
Ares Corporate Opportunities Fund I, LP	2003	\$100.0	\$95.5	\$101.9	\$159.7	15.2	1.7
Ares Corporate Opportunities Fund II, LP	2006	\$200.0	\$166.5	\$56.6	\$246.6	11.9	1.5
Ares Corporate Opportunities Fund III, LP	2008	\$400.0	\$184.1	\$22.0	\$303.1	31.5	1.6
Banc of America Community Venture Fund	2003	\$100.0	\$76.6	\$3.9	\$65.3	(4.9)	0.9
Capital Link Fund II, LP	2008	\$500.0	\$183.9	\$17.3	\$191.0	2.8	1.0
Carlyle Europe Realty Partners, L.P.	2002	\$30.4	\$30.9	\$48.8	\$57.1	16.4	1.8
Carlyle Realty Qualified Ptrs III, L.P.	2001	\$50.0	\$46.5	\$79.1	\$95.0	28.5	2.0
Conversus Capital Partners	2007	\$500.0	\$500.0	\$9.8	\$415.8	(4.9)	0.8
ESP Golden Bear Europe Fund	2007	\$711.9	\$181.2	\$0.0	\$160.8	(5.7)	0.9
Parish Capital I, L.P.	2004	\$50.0	\$45.9	\$14.4	\$52.0	4.1	1.1
Parish Capital II, L.P.	2006	\$60.0	\$45.0	\$2.8	\$50.7	4.1	1.1
TCW Special Credits Fund V	1994	\$35.0	\$35.0	\$60.8	\$60.8	15.2	1.7
Yucaipa American Special Situations	2002	\$50.0	\$47.9	\$34.4	\$45.0	(1.9)	0.9
VENTURE CAPITAL							
Aberdare III	2005	\$22.5	\$20.5	\$4.2	\$14.8	(12.0)	0.7
Aberdare IV	2008	\$50.0	\$14.3	\$0.0	\$10.9	(17.1)	0.8
Aisling Capital II, LP	2006	\$80.0	\$67.0	\$8.7	\$52.8	(7.6)	0.8
Aisling Capital III, LP	2008	\$90.0	\$13.7	\$0.0	\$9.6	(33.1)	0.7
Alta BioPharma Partners II, L.P.	2000	\$44.4	\$64.0	\$58.8	\$67.9	1.5	1.1
Alta V Limited Partnership	1992	\$35.0	\$35.0	\$84.6	\$85.0	25.5	2.4
American River Ventures I, LP	2001	\$15.0	\$15.0	\$0.0	\$0.0	N/A	0.0
APA Excelsior IV, L.P.	1995	\$25.0	\$25.0	\$49.1	\$49.6	20.2	2.0
Asia Alternatives Capital Partners	2007	\$20.0	\$12.3	\$0.7	\$14.1	5.8	1.1
California Emerging Ventures I, LLC	1999	\$966.1	\$934.2	\$793.1	\$1,092.6	3.5	1.2
California Emerging Ventures II, LLC	2000	\$1,363.0	\$1,320.2	\$976.6	\$1,556.9	3.6	1.2
California Emerging Ventures III, LLC	2001	\$475.0	\$433.0	\$232.6	\$549.4	6.6	1.3
California Emerging Ventures IV, LLC	2006	\$456.7	\$286.5	\$31.7	\$366.6	12.9	1.3
Carlyle Asia Venture Partners II, L.P.	2001	\$42.5	\$37.1	\$52.9	\$73.0	17.7	2.0
Carlyle Europe Technology Partners II	2008	\$104.6	\$51.7	(\$0.0)	\$46.1	(9.9)	0.9

Total AIM Portfolio Performance Detail by Strategy

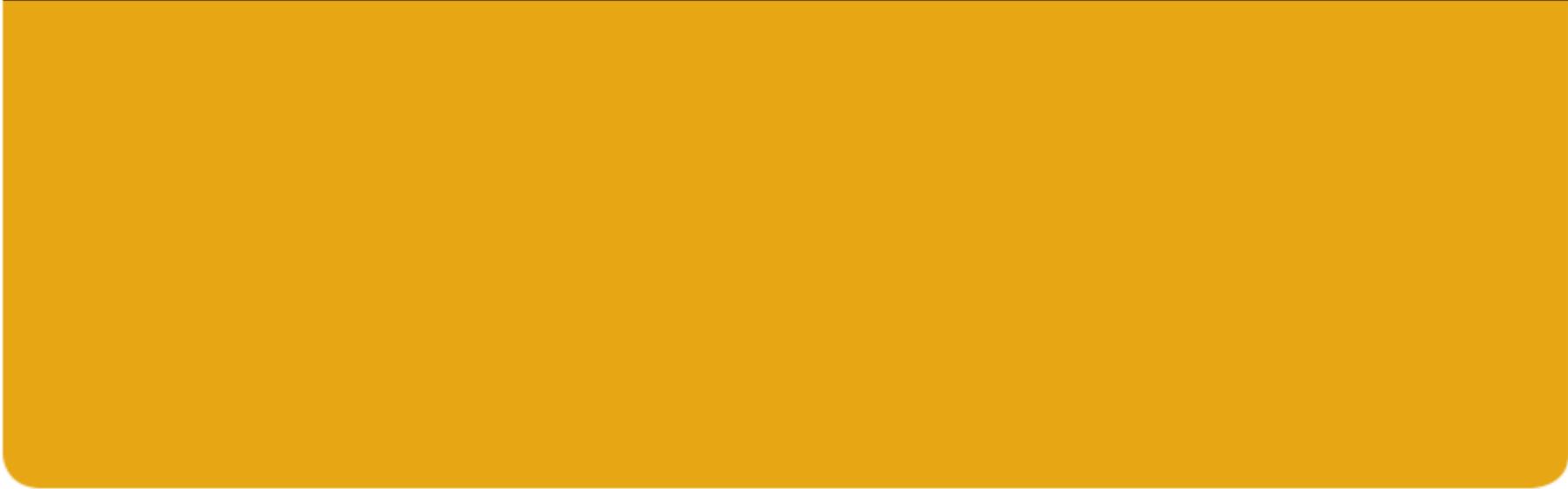
Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
VENTURE CAPITAL							
Carlyle Venture Partners II, L.P.	2001	\$50.0	\$49.9	\$34.3	\$48.4	(0.6)	1.0
Clarus Lifesciences I, L.P.	2006	\$45.0	\$37.5	\$7.6	\$37.2	(0.3)	1.0
Clarus Lifesciences II, L.P.	2008	\$75.0	\$31.9	\$0.0	\$34.6	5.5	1.1
Clearstone Venture Partners III-A, L.P.	2004	\$25.0	\$23.0	\$0.0	\$26.4	3.5	1.1
Craton Equity Investors I, L.P.	2007	\$38.2	\$26.5	(\$0.0)	\$22.5	(9.4)	0.8
DFJ Element Fund I, LP	2006	\$30.0	\$26.3	\$0.0	\$19.5	(9.5)	0.7
DFJ Frontier Fund, L.P.	2002	\$20.0	\$19.5	\$3.1	\$17.8	(2.1)	0.9
Emergence Capital Partners, L.P.	2004	\$15.0	\$14.6	\$3.0	\$13.8	(1.3)	0.9
EnerTech Capital Partners III, LP	2007	\$8.8	\$5.3	\$0.2	\$5.3	0.1	1.0
Essex Woodlands Health Ventures VIII, LP	2008	\$125.0	\$47.5	\$5.6	\$42.9	(8.6)	0.9
Garage California Entrepreneurs Fund, LP	2002	\$10.0	\$10.0	\$4.0	\$12.3	4.4	1.2
Giza Venture Fund IV	2005	\$10.0	\$8.9	\$1.1	\$7.0	(6.8)	0.8
Granite Global Ventures II, LP	2004	\$30.0	\$28.7	\$12.8	\$48.6	12.7	1.7
Granite Global Ventures III, LP	2006	\$60.0	\$51.0	\$5.9	\$68.5	15.3	1.3
Health Evolution Partners - Growth	2008	\$505.0	\$143.7	\$0.0	\$146.7	1.9	1.0
Health Evolution Partners FOF	2007	\$200.0	\$86.8	\$0.6	\$60.9	(15.8)	0.7
Information Technology Ventures II, L.P.	1998	\$25.0	\$25.0	\$19.3	\$19.3	(11.0)	0.8
Khosla Ventures III	2009	\$200.0	\$120.0	\$2.3	\$131.4	9.4	1.1
Khosla Ventures Seed, L.P.	2009	\$60.0	\$21.6	\$0.0	\$23.5	8.4	1.1
Kline Hawkes Pacific, L.P.	2000	\$100.0	\$100.0	\$34.1	\$101.0	0.2	1.0
Lightspeed Venture Partners VII, L.P.	2006	\$35.0	\$29.4	\$1.8	\$36.0	6.9	1.2
New Enterprise Associates XII, L.P.	2006	\$50.0	\$40.3	\$4.8	\$50.5	9.1	1.3
NGEN II, LP	2005	\$15.0	\$12.8	\$0.7	\$5.5	(30.7)	0.4
Pacific Comm Ventures Invest Ptrs II	2002	\$10.0	\$9.8	\$3.3	\$5.8	(14.3)	0.6
Perseus-Soros BioPharmaceutical Fund, LP	2001	\$40.0	\$41.0	\$59.8	\$69.4	19.0	1.7
Pinnacle Ventures II-B	2005	\$50.0	\$45.0	\$25.2	\$55.0	6.3	1.2
Prospect Venture Partners II, L.P.	2001	\$100.0	\$90.5	\$78.2	\$107.7	4.1	1.2
Prospect Venture Partners III, L.P.	2005	\$50.0	\$36.3	\$2.1	\$26.3	(9.3)	0.7
Rockport Capital Partners II, L.P.	2006	\$15.0	\$13.4	\$0.7	\$14.1	1.7	1.1
Sacramento Private Equity Partners	2006	\$605.0	\$273.9	\$3.3	\$257.6	(2.7)	0.9

Total AIM Portfolio Performance Detail by Strategy

Investment	Vintage Year	Capital Committed	Cash In	Cash Out	Cash Out & Remaining Value	Net IRR	Investment Multiple
VENTURE CAPITAL							
SpaceVest Fund Limited Partnership	1995	\$30.0	\$30.0	\$15.6	\$16.0	(6.9)	0.5
Technology Partners Fund V, L.P.	1994	\$12.4	\$18.0	\$24.1	\$25.0	6.9	1.4
Technology Partners Fund VI, L.P.	1998	\$20.6	\$25.0	\$12.8	\$14.5	(11.6)	0.6
TPG Biotechnology Partners I, L.P.	2002	\$70.0	\$70.0	\$39.4	\$84.4	4.5	1.2
TPG Biotechnology Partners II, L.P.	2006	\$70.0	\$62.3	\$12.7	\$88.3	12.0	1.4
TPG Biotechnology Partners III, L.P.	2008	\$100.0	\$36.6	\$0.0	\$38.2	2.9	1.0
TPG Ventures Holdings, LLC	2001	\$36.0	\$30.1	\$10.8	\$44.0	6.4	1.5
TPG Ventures, L.P.	2001	\$245.0	\$245.0	\$243.2	\$274.7	2.4	1.1
Trinity Ventures IX, L.P.	2006	\$25.0	\$20.6	\$4.3	\$25.1	7.6	1.2
VantagePoint CleanTech Partners, L.P.	2006	\$25.0	\$18.8	\$12.0	\$30.6	15.8	1.6
VantagePoint Venture Partners 2006 (Q)	2006	\$100.0	\$55.0	\$3.1	\$56.2	0.9	1.0
Vicente Capital Partners Growth Equity	2007	\$40.4	\$13.6	(\$0.0)	\$9.7	(17.7)	0.7
Warburg, Pincus Investors, L.P.	1990	\$100.0	\$100.0	\$236.4	\$236.4	14.9	2.4



Section 4
Appendix



Performance Measurement Glossary

Cash In – The total contributions, net of temporary returns of capital, made by CalPERS towards investments.

Cash Out – The total distributions received by CalPERS from its investments.

Contributions – The total amount of cash that has been called from limited partners.

Distributions – The total amount of cash and stock that has been paid out to limited partners.

Internal Rate of Return (IRR) – Dollar weighted rate of return that shows profitability as a percentage, showing the return on each dollar invested. IRR equates the present value of a partnership's estimated cash flows (CF) with the present value of the partnership's costs. Before fees (BF) IRR is calculated before all expensed fees such as Asset Management, Disposition, Incentive Fees, etc. After fees (AF) IRR is calculated after all expensed fees such as Asset Management, Disposition, Incentive Fees, etc. Please note, IRR for CalPERS reporting purposes is calculated for sold/realized projects only.

Performance Measurement Glossary

IRR is the quarterly discount rate that makes the following relationship hold:

$$\text{Present Value (inflows)} = \text{Present Value (investment costs)}$$

IRR is computed as follows:

$$CF_0 + CF_1 / (1+IRR) + CF_2 / (1+IRR)^2 + CF_3 / (1+IRR)^3 \dots CF_n / (1+IRR)^n = 0$$

Investment Multiple – A measure of the fund's performance showing the fund's total value as a multiple of its cost basis. The computation is as follows:

$$(\text{Distributions} + \text{Market Value}) / \text{Contributions}$$

J-Curve Effect – Refers to the shape of a plotted trend line depicting investment returns produced from the common practice of paying management fees and start-up costs out of the first draw on committed capital. As a result, a fund will initially show a negative return. When the first realizations are made, the fund returns start to rise steeply. After about three to five years, the interim return will give a reasonable indication of the definitive return.

Performance Measurement Glossary

Market Value – An opinion of value as of a certain date as stated by either the investment advisor or independent appraiser. Market value differs from amount funded or net investment in that the value includes unrealized potential gains or losses during the holding period.

Realized Gain or Loss – The gain or loss CalPERS realized from the disposition of an asset. The computation is as follows:

Proceeds from Investments Sold – Cost of Investments Sold

Unrealized Gain or Loss – The difference between an asset's cost and market value. The computation is as follows:

Market Value of Investment – Cost of Investment

Prepared by:

The Private Edge® Group
State Street Corporation
2 Avenue de Lafayette
Boston, MA. 02111



CalPERS Investment Office
Operations, Performance, & Technology Division
400 Q Street
Sacramento, CA. 95814



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Proxy Voting – Quarterly Report Results
- II. PROGRAM:** Public Markets
- III. RECOMMENDATION:** Information
- IV. ANALYSIS:**

Attachment 1 – Summary of internal proxy voting decisions April 2011 – June 2011

Attachment 2 – 2011 shareowner proposal voting trends

Background

Quarterly, Corporate Governance staff provides the Investment Committee with a report on CalPERS' proxy voting. This supplemental agenda item provides detailed results on CalPERS' proxy votes for the period of April 1, 2011 to June 30, 2011. Staff is delegated the authority to execute all proxies and voting instructions in a manner consistent with the CalPERS Global Principles of Accountable Corporate Governance. As part of this delegation staff reviews and analyzes information provided by market experts, like-minded investors, issuers, proxy advisory firms, and the results of company engagements to ensure the votes cast are consistent with board directed principles.

Table 1 provides a summary of CalPERS' internal proxy voting results for the most recent period. Staff continues to update this table to provide the Committee with a five-quarter rolling analysis of CalPERS' proxy voting results.

Table 1: Global Proxy Votes Cast

Period	Number of Meetings Voted	Number of Individual Items Voted	Shareowner Proposals Voted	Percent of Shareowner Proposals Supported
4/01/11 to 6/30/11	7,081	71,426	601	64%
1/01/11 to 3/31/11	1,356	9,989	67	42%
10/01/10 to 12/31/10	1,330	7,740	33	51%
7/01/10 to 9/30/10	1,203	9,983	38	58%
4/01/10 to 6/30/10	6,872	69,057	729	73%

Source: Glass Lewis (Viewpoint)

Additionally, staff prepared a summary report that highlights the CalPERS Global Proxy Voting decisions over the past quarter. Due to the size of the complete voting history for the quarter, a copy may be requested through the Investment Committee Secretary.

V. STRATEGIC PLAN:

This item will further the following goals of CalPERS Strategic Plan:

- Goal VIII. Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.
- Goal IX. Achieve long-term, sustainable, risk adjusted returns.

VI. RESULTS/COSTS:

Costs associated with proxy voting are contained within the Investment Office budget.

TODD MATTLEY
Investment Officer
Corporate Governance

ANNE SIMPSON
Senior Portfolio Manager
Global Equity

ERIC BAGGESEN
Senior Investment Officer
Global Equity

JANINE GUILLOT
Chief Operating Investment Office

JOSEPH A. DEAR
Chief Investment Officer

PROXY VOTING HIGHLIGHTS FOR THE DOMESTIC AND INTERNATIONAL PORTFOLIOS – April 1, 2011 to June 30, 2011:

Table 1: Votes AGAINST executive compensation plans

Table 2: Votes FOR shareowner proposals

Table 3: Votes AGAINST shareowner proposals

Table 4: Website votes cast

Table 5: International AGAINST votes cast

Table 6: Votes cast for mergers and acquisitions

Executive Compensation:

Table 1: Votes AGAINST executive compensation plans

Company	Meeting	Reason
Ampal-American Israel Corp.	5/3/11	Equity grant repricing without shareowner approval should be prohibited.
Hardinge Inc.	5/5/11	The plan allows for reload stock options. Additionally, CalPERS voted “against” the management Say on Pay proposal due to this negative provision.
IHS Inc.	5/5/11	The plan allows for reload stock options and equity awards vest in less than three years. Additionally, CalPERS voted “against” the management Say on Pay proposal due to these negative provisions.
Jazz Pharmaceuticals Inc.	5/24/11	The plan allows for repricing without shareowner approval and contains an evergreen provision. Additionally, CalPERS voted “against” the management Say on Pay proposal due to these negative provisions.

Shareowner proposals:

Table 2: Votes FOR shareowner proposals

Company	Meeting	Proposal	Reason
Lennar Corp.	4/13/11	Shareholder Proposal Regarding Reporting and Reducing Greenhouse Gas Emissions	CalPERS recommends that to ensure sustainable long-term returns, companies should provide accurate and timely disclosure of environmental risks and opportunities, such as those associated with climate change.
Moody`s Corp.	4/19/11	Proposal Regarding Independent Board Chairman	CalPERS believes when the Chairman is independent the board may be able to exercise stronger oversight of management.
Paccar Inc.	4/20/11	Shareholder Proposal Regarding Simple Majority Vote	CalPERS believes a majority of the proxies cast should be able to amend the company's bylaws.
C.R. Bard Inc.	4/20/11	Shareholder Proposal Regarding Sustainability Report	CalPERS recommends that corporations strive to measure, disclose, and be accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development.
Graco Inc.	4/21/11	Shareholder Proposal Regarding Majority Vote for Election of Directors	CalPERS believes a majority of the proxies cast should be required to elect a director in an uncontested election. **CalPERS Proposal – received 71% of the FOR vote cast**
Hospitality Properties Trust	5/10/11	Shareholder Proposal Regarding Declassification of the Board	CalPERS believes every director should be elected annually. **CalPERS Proposal – received 89% of the FOR vote cast**

Table 3: Votes AGAINST shareowner proposals

Company	Meeting	Proposal	Reason
General Electric Co.	4/27/11	Shareholder Proposal Regarding Restricting Executive Compensation	CalPERS is a firm supporter of pay for performance. However, we believe this proposal could unfairly restrict the company's ability to attract and retain competent executives and thereby cause long-term harm to the company.
West Bancorp Inc.	4/28/11	Shareholder Proposal Regarding Restricting Director Compensation	CalPERS is a firm supporter of pay for performance. However, we believe implementation of the proposal could impair the company's ability to attract and retain director talent.
Johnson & Johnson	4/28/11	Shareholder Proposal Regarding Pharmaceutical Price Restraints	CalPERS believes business decisions such as these are best left to management and the Board.
Pfizer Inc.	4/28/11	Shareholder Proposal Regarding Publishing Political Contributions and Expenditure in Newspapers	CalPERS believes that the disclosure of political contributions and activities is a benefit to shareowners. However, we feel the proponents request for disclosure in newspapers is unnecessary.
Consolidated Edison, Inc.	5/16/11	Shareholder Proposal Regarding Disclosure of Executive Compensation (executives making in excess of \$500,000)	CalPERS believes implementation of this proposal could put the company at a competitive disadvantage, and therefore pose long-term harm to the company.
McDonald's Corp	5/19/11	Shareholder Proposal Regarding Controlled Atmosphere Killing	CalPERS believes business decisions such as these best left to management and the board.

Website votes:

These include the CalPERS top 300 holdings by Market Cap and are disclosed on the CalPERS Shareowner Forum approximately two weeks before each annual general meeting.

Table 4: Website votes cast

Company/Date	Issue	Vote	Reason
Bank of New York Mellon 4/12/11	Proposal Regarding Cumulative Voting	For	CalPERS believes shareowners should have the right to cumulate votes in the election of directors.
BP PLC. 4/14/11	Elect Directors	Against	CalPERS is voting against director nominee Sir William Castell in consideration of his role as chair of the Safety, Ethics and Environmental Assurance Committee in the period running up to the Gulf of Mexico disaster.
General Electric Co. 4/27/11	Advisory Vote on Executive Compensation	Against	The company's recent modification of stock option grants to the CEO is a positive step. However, we believe a vote against the say on pay proposal is warranted due to concerns that the company has not adequately tied pay with financial performance.
Occidental Petroleum Corp. 5/6/11	Shareowner Proposal Political Contributions	For	CalPERS believes the additional disclosure on political contributions would benefit shareowners.
American International Group 5/11/11	Elect Directors	Against	CalPERS is withholding vote from director nominee A. Martinez for serving on excessive number of public company boards. CalPERS also believes a withhold vote is warranted for G. Miles and M. Offit. Both director nominees served as members of the audit committee prior to the financial crisis when there was, in CalPERS opinion, a failure to ensure appropriate corporate governance practices pertaining to risk management were in place

International Proxy Voting:

Table 5: International AGAINST votes cast

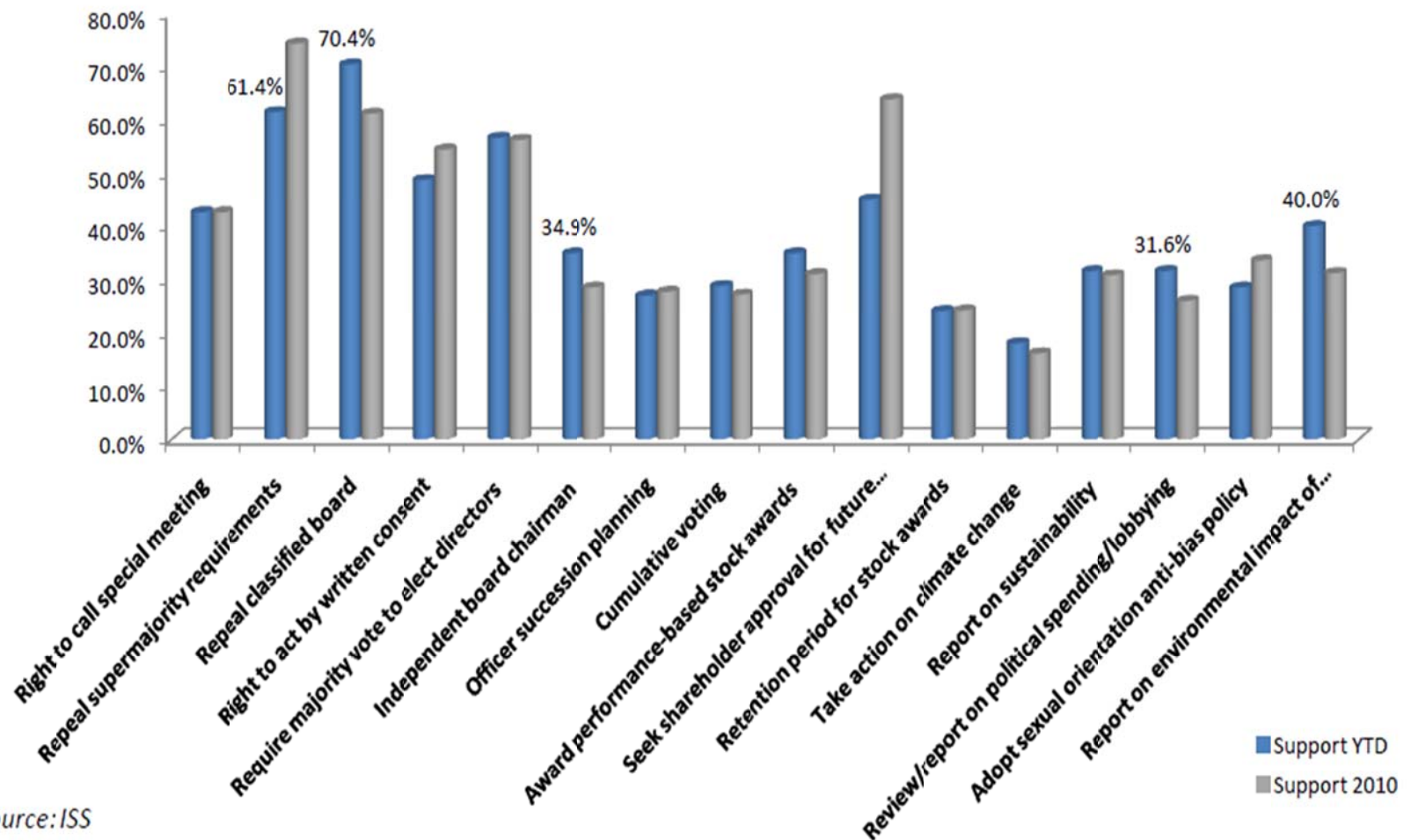
Company	Country	Issue	Reason
Julius Baer Group 4/7/11	Switzerland	Director Election	Withhold vote from director nominee Peter Kupfer. CalPERS believes a majority of the members of the Audit Committee should be independent.
Entrepose Contracting 4/8/11	France	Authority to Issue Shares, Convertible Securities and/or Debt Instruments as a Takeover Defense	CalPERS believes this authority is not in shareowners best interest as it could limit opportunities related to corporate takeovers.
Primary Health Prop. 4/12/11	United Kingdom	Authority to Set General Meeting Notice Period to 14 Days	CalPERS believes a reduction in the notice period from 21 to 14 days may not allow shareowners reasonable notice to review matters in which they are required to exercise voting rights.
Belgacom S.A. 4/13/11	Belgium	Approve Remuneration Report	The company allows for option awards to vest over a period of less than three years
Hunting plc 4/20/11	United Kingdom	Appoint Auditor	CalPERS believes fees above 50% for non-audit related services are excessive.
Arcs Co. Ltd 5/24/11	Japan	Renewal of Takeover Defense Plan	CalPERS believes renewal of this plan is not in shareowners best interest as it could limit opportunities related to corporate takeovers.

Mergers & Acquisitions:

Table 6: Sample of votes cast for mergers and acquisitions

Target	Acquirer	Date	Vote
Rae Systems	Vector Capital	4/7/11	For
Universal American	CVS Caremark	4/27/11	For
Tollgrade Communications Inc.	Golden Gate Private Equity	5/5/11	For
Retail Ventures Inc.	DSW Inc.	5/19/11	For
National Semiconductor Corp.	Texas Instruments Inc.	6/27/11	For

► Trends in Activism: Shareholder Proposal Support



Source: ISS
As of June 6, 2011



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Internally Managed Domestic Fixed Income
(Quarter Ended June 30, 2011)
- II. PROGRAM:** Dollar-Denominated Fixed Income
- III. RECOMMENDATION:** Information
- IV. ANALYSIS:**

Attached is a report that reviews compliance of the Internally Managed Domestic Fixed Income Portfolio to approved policy guidelines for the quarter ended June 30, 2011.

The Investment Committee approved the "Statement of Internally Managed Dollar Denominated Fixed Income Policy, Guidelines and Procedures" at its September 13, 2010 meeting. As recommended by the Investment Policy Subcommittee, these guidelines require at least quarterly reporting on relative duration, sector weightings, and violations of the policy.

Section I of the report graphically displays interest rate risk of the portfolio by comparing its duration relative to that of its benchmark, the Barclays Capital Long Liability Index (BCLL). Duration is a measure of price sensitivity to interest rate changes. It is the percentage change in price given a 100 basis point (1 Percent) move in interest rates. As indicated in the graph, the portfolio is well within the guideline of $\pm 10\%$ of the Barclays Capital Long Liability Index on an option adjusted basis.

Section II of the report depicts the sector risk of the portfolio. Sector risk is the risk of holding proportions of asset class sectors that differ from proportions in the benchmark index, the Barclays Capital Long Liability. The table lists the permissible range for weightings in each sector, and sector weightings of the Barclays Capital Long Liability and this portfolio. The portfolio is within approved guidelines.

Section III of the report describes violations of the overall policy and guidelines, including investing only in permissible securities and compliance with specified restrictions. There were no violations of policy or guidelines during the quarter ended June 30, 2011.

V. STRATEGIC PLAN:

This item supports Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

The market value of the Internally Managed Domestic Fixed Income Portfolio as of June 30, 2011 was \$38.8 billion. This agenda item provides a review of portfolio compliance to its guidelines.

ROBERT PEREZ
Investment Officer
Global Fixed Income

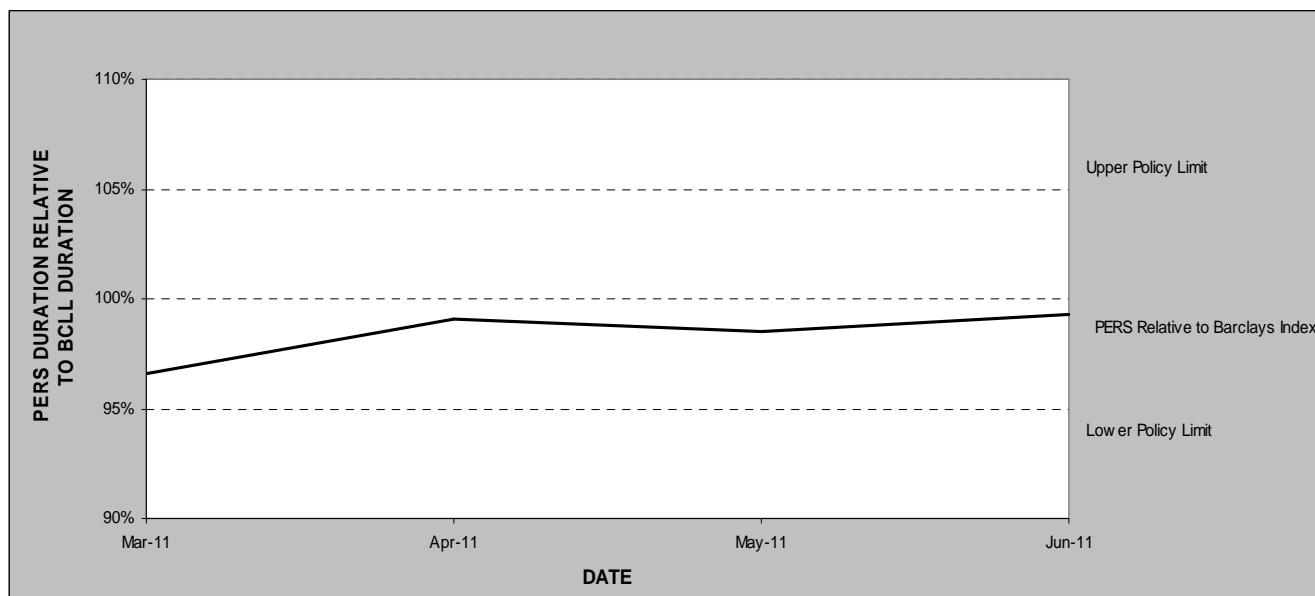
CURTIS D. ISHII
Senior Investment Officer
Global Fixed Income

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer

QUARTERLY REVIEW OF THE DOMESTIC FIXED INCOME PORTFOLIO ENDING June 30, 2011

I. Interest Rate Risk



II. Sector Risk

SECTOR	PERMISSIBLE RANGE	LONG LIABILITY	09/30/10 PERS	12/31/10 PERS	3/31/11 PERS	6/30/11 PERS
Government	0-50	40	33	36	39	39
Mortgages	10-60	30	29	29	27	29
Sovereigns	0-15	3	2	2	2	2
Investment Grade						
Corporates	10-60	24	28	25	25	24
Opportunistic ¹	0-19	3	8	8	7	6

¹ High Yield

III. Violations to Policy:

None



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. **SUBJECT:** Internally Managed Barclays Aggregate Fixed Income (Quarter Ended June 30, 2011)
- II. **PROGRAM:** Barclays Aggregate Program
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

Attached is a report that reviews compliance of the Internally Managed Barclays Aggregate Program to approved policy guidelines for the quarter ended June 30, 2011.

The Investment Committee approved the "Statement of Barclays Aggregate Program Policy, Guidelines and Procedures" at its February 14, 2011 meeting. As recommended by the Investment Policy Subcommittee, these guidelines require at least quarterly reporting on relative duration, sector weightings, and violations of the policy.

Section I of the report graphically displays interest rate risk of the portfolio by comparing its duration relative to that of its benchmark, the Barclays Capital Aggregate Index (BCAI). Duration is a measure of price sensitivity to interest rate changes. It is the percentage change in price given a 100 basis point (1 Percent) move in interest rates.

Section II of the report depicts the sector risk of the portfolio. Sector risk is the risk of holding proportions of asset class sectors that differ from proportions in the benchmark index, the Barclays Capital Aggregate. The table lists the permissible range for weightings in each sector, and sector weightings of the Barclays Capital Aggregate Index and this portfolio. The portfolio is within approved guidelines.

Section III of the report describes violations of the overall policy and guidelines, including investing only in permissible securities and compliance with specified restrictions. There was one violation of policy during the quarter ended June 30, 2011, which was previously reported in quarter ended March 31, 2011. On February 14, 2011, the Investment Committee approved more restrictive guidelines for the Barclays Aggregate Program. One of the restrictions was a

reduction in range for duration relative to the index from +/- 20% to +/- 10%. Unfortunately, this was not coded into our automated Aladdin trading system. As a result, the portfolio was outside the guideline of $\pm 10\%$ of the Barclays Capital Aggregate Index on an option adjusted basis from February 14, 2011 to March 31, 2011. Upon discovery of the issue on April 19, 2011, portfolio was immediately moved back within policy guidelines.

V. STRATEGIC PLAN:

This item supports Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

The market value of the Internally Managed Barclays Aggregate Program as of June 30, 2011 was \$605.0 million. This agenda item provides a review of portfolio compliance to its guidelines.

ROBERT PEREZ
Investment Officer
Global Fixed Income

KEVIN WINTER
Senior Portfolio Manager
Global Fixed Income

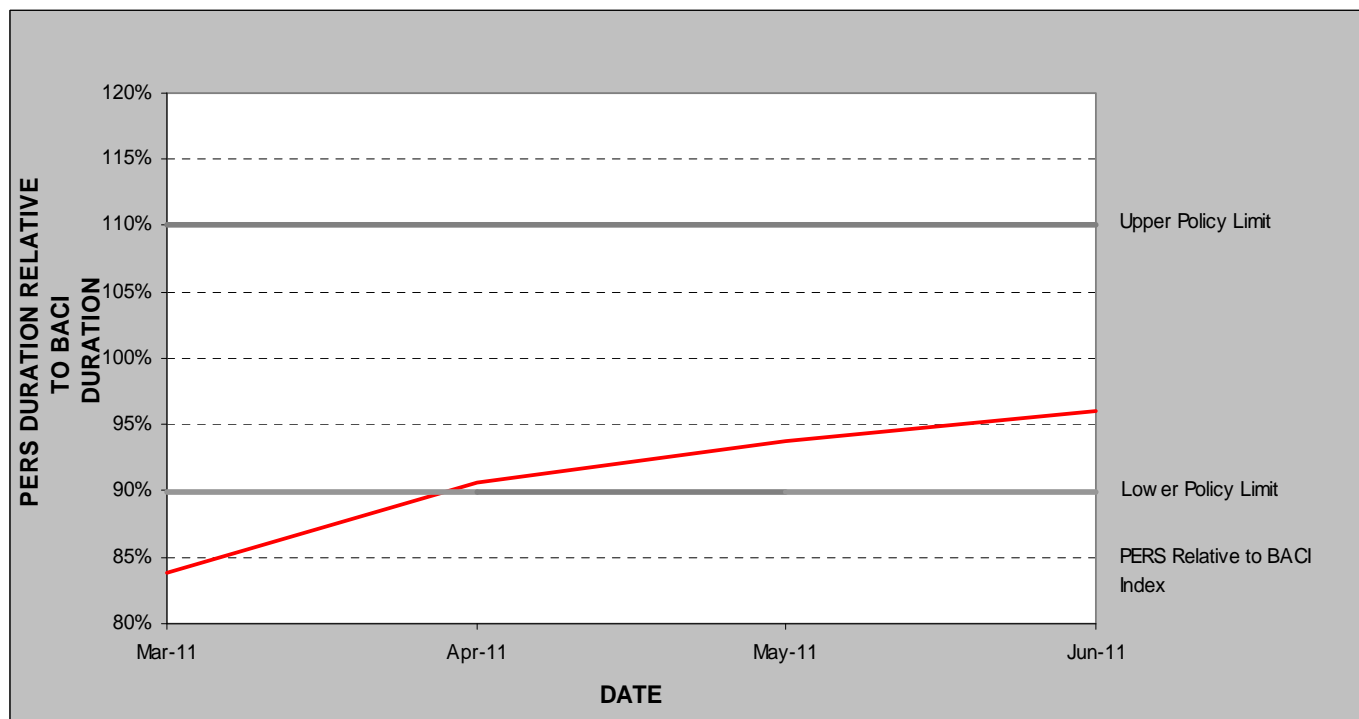
CURTIS D. ISHII
Senior Investment Officer
Global Fixed Income

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer

QUARTERLY REVIEW OF THE BARCLAYS AGGREGATE PROGRAM ENDING June 30, 2011

I. Interest Rate Risk



II. Sector Risk

SECTOR	PERMISSIBLE RANGE	BARCLAYS AGGREGATE	9/30/10 PERS	12/31/10 PERS	3/31/11 PERS	6/30/11 PERS
US Treasury & Govt. Sponsored	0-80	32	25	28	29	33
Securitized	0-70	45	43	41	40	34
Corporates	10-50	23	29	27	27	29
Opportunistic	0-20	0	3	4	4	4

III. Violations to Policy:

1. Duration was not within the Barclays Aggregate Program policy guidelines:

As indicated in the graph in section 1, the portfolio is not within the guideline of +/- 10% of the Barclays Capital Aggregate Index on an option adjusted basis from February 14, 2011 to April 18, 2011.



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. **SUBJECT:** Internally Managed Treasury Inflation Protected Securities Fixed Income (Quarter Ended June 30, 2011)
- II. **PROGRAM:** Treasury Inflation Protected Securities Program
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

Attached is a report that reviews compliance of the Treasury Inflation Protected Securities Program to approved policy guidelines for the quarter ended June 30, 2011.

The Investment Committee approved the "Statement of Treasury Inflation Protected Securities Program Policy, Guidelines and Procedures" at its December 15, 2008 meeting. As recommended by the Investment Policy Subcommittee, these guidelines require at least quarterly reporting on relative duration, sector weightings, and violations of the policy.

Section I of the report graphically displays interest rate risk of the portfolio by comparing its duration relative to that of its benchmark, the Barclays Capital Global Real: U.S. TIPS Index. Duration is a measure of price sensitivity to interest rate changes. It is the percentage change in price given a 100 basis point (1 Percent) move in interest rates. As indicated in the graph, the portfolio is well within the guideline of $\pm 10\%$ of the Barclays Capital Global Real: U.S. TIPS Index on an option adjusted basis.

Section II of the report depicts the sector risk of the portfolio. Sector risk is the risk of holding proportions of asset class sectors that differ from proportions in the benchmark index, the Barclays Capital Global Real: U.S. TIPS Index. The table lists the permissible range for weightings in each sector, and sector weightings of the Barclays Capital Global Real: U.S. TIPS Index and this portfolio. The portfolio is within approved guidelines.

Section III of the report describes violations of the overall policy and guidelines, including investing only in permissible securities and compliance with specified

restrictions. There were no violations of policy or guidelines during the quarter ended June 30, 2011.

V. STRATEGIC PLAN:

This item supports Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

The market value of the Treasury Inflation Protected Securities Program as of June 30, 2011 was \$308.2 million. This agenda item provides a review of portfolio compliance to its guidelines.

ROBERT PEREZ
Investment Officer
Global Fixed Income

CHRISTOPHER GRAY
Investment Officer
Global Fixed Income

THOMAS M. MCDONAGH
Senior Portfolio Manager
Global Fixed Income

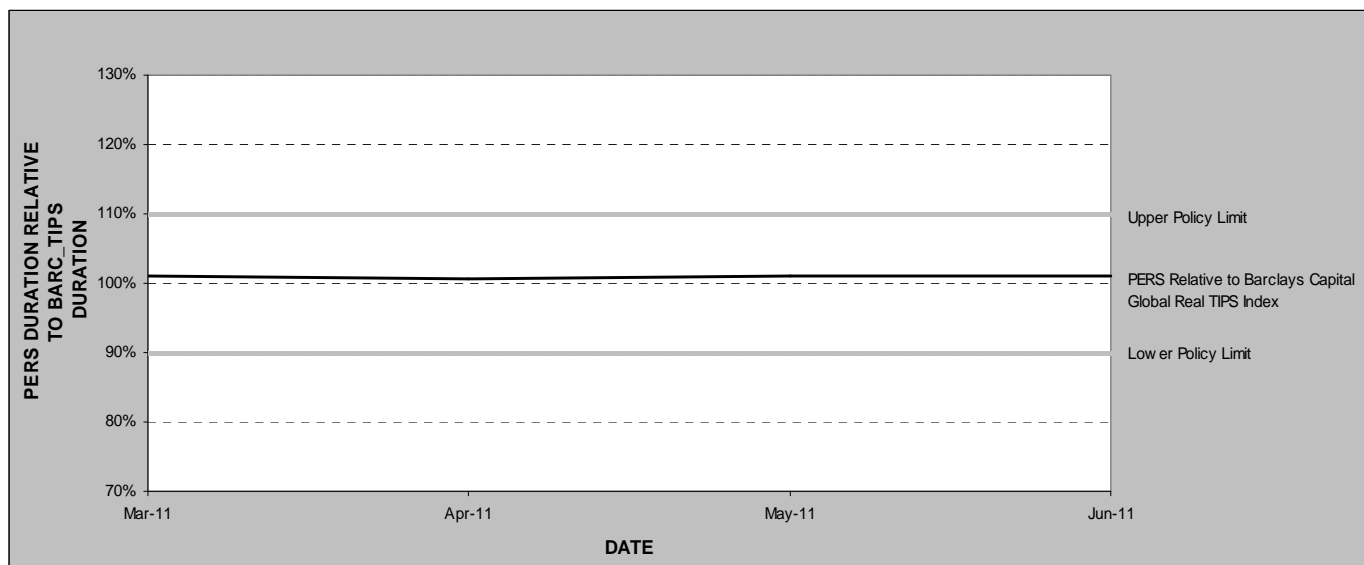
CURTIS D. ISHII
Senior Investment Officer
Global Fixed Income

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer

QUARTERLY REVIEW OF THE TREASURY INFLATION PROTECTED SECURITIES PROGRAM ENDING June 30, 2011

I. Interest Rate Risk



II. Sector Risk

	PERMISSIBLE	BARCLAYS CAPITAL GLOBAL REAL U.S. TIPS INDEX	9/30/10	12/31/10	3/31/11	6/30/11
SECTOR	RANGE		PERS	PERS	PERS	PERS
TIPS	80-100	100	98	100	100	100
Nominal US Treasury	0-15	0	0	0	0	0
STIF	0-5	0	2	0	0	0

III. Violations to Policy:

None



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. **SUBJECT:** Internally Managed Passive Currency Overlay Program and Internally Managed Active Currency Overlay Program
(Quarter Ended June 30, 2011)
- II. **PROGRAM:** Currency Overlay Program
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

Attached is a report that reviews compliance of the Internally Managed Passive Currency Overlay Program and the Internally Managed Active Currency Overlay Program to approved policy guidelines for the quarter ended June 30, 2011.

The Investment Committee adopted the "Statement of Investment Policy, Currency Overlay Program" at its March 16, 2009 meeting. This policy covers the Internally Managed Passive Currency Overlay Program and the Internally Managed Active Currency Overlay Program. As recommended by the Investment Policy Subcommittee, these guidelines require at least quarterly reporting on risk parameters and violations of the policy.

Section I of the report entails the hedge ratio of the Passive Currency Overlay Program compared to its benchmark, the PERS – Pareto CCR (Daily) Index. The Passive Program shall track a fully hedged benchmark that reflects the specific currencies of the underlying equity program. The Passive Program shall monitor its currency positions to avoid leverage. Currency positions taken shall constitute a designated hedge of the international assets identified in the underlying program. The portfolio is within approved guidelines.

Section II of the report depicts the currency risk of the Active Currency Overlay Program. Currency risk is the risk of having different weights in currency than the index. It will be managed by limiting the percentage deviation from the index and is differentiated between major and minor currency pairs. The tables on this section of the report specify the allowable ranges within which actual allocations can fluctuate, currency weightings of the PERS – Pareto CCR (Daily) Index and this portfolio. The portfolio is within approved guidelines.

Section III of the report describes violations of the overall policy and guidelines, including investing only in permissible securities and compliance with specified restrictions. There were no violations of policy or guidelines during the quarter ended June 30, 2011.

V. STRATEGIC PLAN:

This item supports Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

This agenda item provides a review of portfolio compliance to its guidelines.

BRANDON ENG
Investment Officer
Global Fixed Income

THOMAS MCDONAGH
Senior Portfolio Manager
Global Fixed Income

CURTIS D. ISHII
Senior Investment Officer
Global Fixed Income

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer

**QUARTERLY REVIEW OF THE
INTERNALLY MANGED PASSIVE CURRENCY OVERLAY PROGRAM
AND INTERNALLY MANAGED ACTIVE CURRENCY OVERLAY PROGRAM
ENDING June 30, 2011**

I. Hedge Ratio (of the Passive Currency Overlay Program)

Benchmark	Hedge Ratio Range	PERS Hedge Ratio
100%	95% – 105%	100.1039%

II. Currency Risk (of the Active Currency Overlay Program)

Major Currency Pairs – Subject to index weights $\pm 20\%$

Currency	Permissible Range	Benchmark Country Weight	6/30/11 PERS
Euro	11% – 51%	31%	31.79%
UK Sterling	-2 – 38	18	18.21
Japanese Yen	-2 – 38	18	19.28

Minor Currency Pairs – Subject to index weights $\pm 10\%$

Currency	Permissible Range	Benchmark Country Weights	6/30/11 PERS
Canadian Dollar	-1% – 19%	9%	8.52%
Swiss Franc	-4 – 16	6	7.29
Australian Dollar	-3 – 17	7	7.83
Hong Kong Dollar	-6 – 14	4	3.62
Israeli Shekel	-9 – 11	1	0.58
Swedish Krona	-7 – 13	3	2.49
Singapore Dollar	-8 – 12	2	0.36
Norwegian Kroner	-9 – 11	1	-0.21
Danish Krone	-9 – 11	1	1.03
New Zealand Dollar	-10 – 10	0	-0.79

*Total may not sum to 100% due to rounding.

III. Violations to Policy:

None.



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Internally Managed Commodities Program
(Quarter Ended June 30, 2011)
- II. PROGRAM:** Inflation-Linked Asset Class
- III. RECOMMENDATION:** Information
- IV. ANALYSIS:**

Attached is a report that reviews compliance of the internally managed Commodities Program to approved policy guidelines for the quarter ended June 30, 2011.

The Investment Committee approved the "Statement of Investment Policy, Inflation-Linked Asset Class" at its May 17, 2010 meeting. As recommended by the Investment Policy Subcommittee, these guidelines require at least quarterly reporting on sector weightings, other risk characteristics deemed noteworthy, and violations of the policy.

Section I of the report depicts the individual counterparty exposure for the Commodities Program, as it is limited to 40% of the net notional option-adjusted exposure of the Commodities Program at the inception of a new position. The portfolio is within approved guidelines.

Section II of the report depicts the collateral market value of the Commodities Program. The market value of the commodities collateral shall be maintained at 100% or greater of the net option-adjusted notional value of the commodities overlay exposure at the time of any new commodities overlay position. The intent of this constraint is to avoid incurring economic leverage (commodities value exceeding the value of the collateral) due to investing in commodities. The portfolio is within approved guidelines.

Section III of the report depicts sector risk of the Commodities Program. Sector risk is mitigated as the program is composed of all total return swaps with the GSCI as the reference index.

Section IV of the report describes violations of the overall policy and guidelines, including investing only in permissible securities and compliance with specified

restrictions. There were no violations of the policy or guidelines during the quarter ended June 30, 2011.

V. STRATEGIC PLAN:

This item supports Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

The market value of the internally managed Commodities Program was \$2.5 billion. This agenda item provides a review of portfolio compliance to its guidelines.

BRANDON ENG
Investment Officer
Global Fixed Income

THOMAS MCDONAGH
Senior Portfolio Manager
Global Fixed Income

CURTIS D. ISHII
Senior Investment Officer
Global Fixed Income

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer

**QUARTERLY REVIEW OF THE
COMMODITIES PROGRAM
ENDING June 30, 2011**

I. Individual Counterparty Exposure

Individual counterparty exposure, for non-exchange traded commodity derivatives, is limited to 40% of the net notional option-adjusted exposure of the Commodities Program at the inception of a new position.

Counterparty	Counterparty Exposure (as of 06/30/11)
Credit Suisse International	6%
Barclays Capital	11
Goldman Sachs International	6
JP Morgan Securities, Inc.	35
Societe Generale	30
UBS Securities Inc.	11

II. Collateral Market Value

The market value of the commodities collateral was 101% of the net option-adjusted notional value of the commodities overlay exposure, which satisfies the 100% or greater requirement of the policy.

III. Sector Risk

The Commodities Program is currently composed of all total return swaps with the GSCI as the reference index.

IV. Violations to Policy:

None.



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Internally Managed Inflation-Linked Bond Program
(Quarter Ended June 30, 2011)
- II. PROGRAM:** Inflation-Linked Asset Class
- III. RECOMMENDATION:** Information
- IV. ANALYSIS:**

Attached is a report that reviews compliance of the internally managed Inflation-Linked Bond (ILB) Program to approved policy guidelines for the quarter ended June 30, 2011.

The Investment Committee approved the "Statement of Investment Policy, Inflation-Linked Asset Class" at its May 17, 2010 meeting. As recommended by the Investment Policy Subcommittee, these guidelines require at least quarterly reporting on relative duration, sector weightings, other risk characteristics deemed noteworthy, and violations of the policy.

Section I of the report entails interest rate risk of the Inflation-Linked Bond portfolio by comparing its duration relative to that of its benchmark, the Barclays Capital Global Inflation Linked US 66%/Cust 33% Index. Duration is a measure of price sensitivity to interest rate changes. It is the percentage change in price given a 100 basis point (1 Percent) move in interest rates. As indicated in the report, the portfolio is well within the guideline of $\pm 10\%$ of the index on an option adjusted basis.

Section II of the report depicts the sector risk of the ILB portfolio. Sector risk is the risk of holding proportions of asset class sectors that differ from proportions in the benchmark index. The table lists the permissible range for weightings in each sector, and sector weightings of the Barclays Capital Global Inflation Linked US 66%/Cust 33% and the Inflation-Linked Bond portfolio. The portfolio is within approved guidelines.

Section III of the report depicts the sovereign risk of the ILB portfolio. Sovereign risk is the risk of holding proportions of sovereign issuers that differ from proportions in the benchmark index. The table lists the permissible range for

weightings in each sovereign issuer, and weightings of the Barclays Capital Global Inflation Linked US 66%/Cust 33% and the Inflation-Linked Bond portfolio. See section IV as there was a violation to the policy.

Section IV of the report describes violations of the overall policy and guidelines, including investing only in permissible securities and compliance with specified restrictions. There was a violation of the policy or guidelines during the quarter ended June 30, 2011, but rectified July 1, 2011.

V. STRATEGIC PLAN:

This item supports Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

The market value of the internally managed Inflation-Linked Bond portfolio as of June 30, 2011 was \$2.7 billion. This agenda item provides a review of portfolio compliance to its guidelines.

BRANDON ENG
Investment Officer
Global Fixed Income

THOMAS MCDONAGH
Senior Portfolio Manager
Global Fixed Income

CURTIS D. ISHII
Senior Investment Officer
Global Fixed Income

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer

QUARTERLY REVIEW OF THE INFLATION-LINKED BOND PROGRAM ENDING June 30, 2011

I. Interest Rate Risk

Barclays Capital Global Inflation Linked US 66%/Cust 33% Index Duration as of June 30, 2011: 4.52
Inflation Linked Bond Portfolio Duration as of June 30, 2011: 4.45

The duration of the portfolio is well within its $\pm 10\%$ range of the benchmark duration, as it is 1.549% less than the benchmark.

II. Sector Risk

Sector	Permissible Range	Policy Target	6/30/11 PERS
Total investment grade Inflation-linked government bonds	80% – 100%	100%	100%
U.S. inflation linked bonds	47 – 87	67	66.77
Investment grade international inflation-linked bonds	13 – 53	33	33.23
Non-government investment grade inflation-linked bonds	0 – 10	0	0
Investment grade nominal government bonds	0 – 10	0	0
Short-term fixed income	0 – 10	0	0
Non-investment grade inflation-linked government bonds	0 – 5	0	0

III. Sovereign Risk

Issuer	Permissible Range	Benchmark Weight	6/30/11 PERS
United Kingdom	5% – 25%	15%	12.82%
France	0 – 19	9	9.34
Italy	0 – 15	5	5.55
Japan	0 – 12	2	0
Germany	0 – 12	2	5.52

IV. Violations to Policy:

There was an interim policy violation in the Inflation-Linked Bond Program due to a benchmark change. The violation was for nearly 2 weeks.

On May 16, 2011, the Investment Committee approved a new benchmark for the Inflation-Linked Bond Program, which resulted in a modification to the ILB Index. Specifically, Canada was added to the index and Japan was dropped out. The effective date for the new benchmark is July 1, 2011.

**QUARTERLY REVIEW OF THE
INFLATION-LINKED BOND PROGRAM
ENDING June 30, 2011**

Since ILBs in Canada are difficult to source, staff purchased securities over the course of a couple of weeks in mid-June to enable the portfolio weights on Canada to equal the index by July 1, 2011.

Unfortunately, the ILB Policy does not allow for the purchase of the non-index Canadian inflation linked securities, which created an interim violation of the policy. On July 1, 2011, when Canada became part of the index, the portfolio was back in compliance.

On June 27, a confidential memo was emailed to the Investment Committee informing them of an interim technical policy violation due to a benchmark change in the Inflation Linked Bond Program.



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Low Duration Fixed Income Funds
(Quarter Ended June 30, 2011)
- II. PROGRAM:** Domestic Fixed Income
- III. RECOMMENDATION:** Information
- IV. ANALYSIS:**

Attached is a report that reviews compliance of the internally managed Low Duration Fixed Income funds to approved policy guidelines for the quarter ended June 30, 2011.

The Investment Committee approved the "California Public Employees' Retirement System Statement of Investment Policy for Low Duration Fixed Income Program Policy" (Policy) at its June 13, 2011 meeting. These guidelines require at least quarterly reporting of portfolios duration, sector weightings, fixed and floating rate breakout, security rating scales, and an exceptions report that covers policy violations. This policy is for the High Quality Libor Fund (HQL), Short Duration Fund (SDF), and the Short Term Fund (ST). Attachment A is the quarter review of the High Quality Libor Fund. Attachment B is the quarter review of the Short Duration Fund. Attachment C is the quarter review of the Short Term Fund.

Section I measures HQL and SDF funds interest rate exposure using portfolio duration and the ST's interest rate exposure using weighted-average days to maturity. HQL, SDF, and ST portfolios are within approved guidelines.

Section II lists the portfolio's allocation by asset class and credit quality as of quarter end. The table also lists other positions of the fund relative to policy restrictions. HQL, SDF, and ST portfolios are within approved guidelines.

Section III describes violations of the Policy that occurred during the quarter, including investing only in permissible securities and compliance with specified restrictions. There was one violation in HQL and one violation in SDF during the quarter ended June 30, 2011.

V. STRATEGIC PLAN:

This item supports Goal VIII, Objective 4, Strategy C by providing a monitoring system that periodically updates risk management review and findings for the asset class.

VI. RESULTS/COSTS:

As of June 30, 2011, the market value of the High Quality Libor Fund was \$2.2 billion, the market value for the Short Duration Fund was \$1.4 billion and the market value of the Short Term Fund was \$2.6 billion. The total market value of the Low Duration Fixed Income portfolios as of June 30, 2011 was \$6.2 billion. This agenda item reviews the portfolios' compliance to its guidelines.

ROBERT PEREZ
Investment Officer
Global Fixed Income

RACEL SY
Investment Officer
Global Fixed Income

JEAN HSU
Portfolio Manager
Global Fixed Income

CURTIS D. ISHII
Senior Investment Officer
Global Fixed Income

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer

**QUARTER REVIEW OF THE INTERNALLY MANAGED
HIGH QUALITY LIBOR FUND ENDING June 30, 2011**

I. Interest Rate Risk

The policy states that duration of the portfolio shall not exceed 90 days. The portfolio duration of the High Quality LIBOR Fund was 29 days.

II. Asset Allocation by Asset Type and Credit Quality, and Other Policy Limits

<u>Asset Type</u>	<u>Policy Limits</u>	<u>Portfolio Holdings</u>
STIF Funds	100%	0.06%
AAA Floating Rate Structured Securities	100	99.94
AAA Fixed Rate Structured Securities	20	0.00
Money Market Securities (\geq A1/P1)	100	0.00
Money Market Securities ($<$ A1/P1)	25	0.00
High Quality Libor Fund		<u>100.0%</u>

Credit Quality

Securities rated AAA (LT) or A1/P1 (ST) or higher	100%	100.00%
Total Split Rated or A2/P2 money market securities ($>$ 1 day maturity)	25	0.00
High Quality Libor Fund		<u>100.0%</u>

Other Restriction

Total Fixed Rate Exposure ($>$ 35 day maturity)	20%	0.00%
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III. Violations To Policy

Structured Securities \leq 10% issuer

1. 05522RBE7 BACCT_07-A9 10.35% of NAV

The violation is triggered due to the portfolio being in a run-off mode. We recommend holding the bond for now due to the high quality and short weighted average life (0.98 wal). We will closely monitor the bond to determine future action.

**QUARTER REVIEW OF THE INTERNALLY MANAGED
SHORT DURATION FUND ENDING June 30, 2011**

I. Interest Rate Risk

The policy states that duration of the portfolio shall not exceed 180 days. The portfolio duration of the Short Duration Fund was 0 days.

II. Asset Allocation by Asset Type and Credit Quality, and Other Policy Limits

<u>Asset Type</u>	<u>Policy Limits</u>	<u>Portfolio Holdings</u>
State Street Bank STIF	100%	0.08%
AAA Structured Securities	100	99.03
Non AAA Structured Securities	50	0.89
Money Market Securities (\geq A1/P1)	100	0.00
Money Market Securities ($<$ A1/P1)	25	0.00
Total Corporate Securities	50	0.00
Short Duration Fund		<u>100.0%</u>
<u>Credit Quality</u>		
Securities rated AAA (LT) or A1/P1 (ST) or higher	100%	99.11%
Total Split Rated and A2/P2 (ST) or non-AAA (LT)	50	0.89
Short Duration Fund		<u>100.0%</u>
<u>Other Restriction</u>		
Total Fixed Rate Exposure ($>$ 35 day maturity)	35%	0.00%

III. Violations To Policy

AAA Structured securities w/ \leq 1.5 WAL, $<$ 15% Issuer

1. 17305EDX0 CCCIT_07_A7 15.30% of NAV

There was an outstanding tender offer on this security on June 17, 2011, which our custodian, State Street Bank, had a two day delay in booking the action. As a result, the security was 15.3 % of NAV for June 17, 2011 and June 20, 2011. When State Street Bank booked the tender on June 21, 2011, this was no longer a violation.

**QUARTER REVIEW OF THE DOMESTIC
SHORT-TERM FUND ENDING June 30, 2011**

I. Interest Rate Risk

The weighted-average days to maturity of the Short-Term Fund was 2 days.

II. Asset Allocation by Asset Type and Credit Quality, and Other Policy Limits

<u>Asset Type</u>	<u>Policy Limits</u>	<u>Portfolio Holdings</u>
State Street Bank STIF	100%	72.76%
U.S. Treasury and Agencies	100	0.0
Repurchase Agreements	20	0.0
Corporate Securities	100	27.24
Fixed Asset-Backed Securities	50	0.0
Floating Asset-Backed Securities	25	0.0
Total Short-Term Fund		<u>100.0%</u>

Credit Quality

Securities rated A1/P1 or higher	100%	72.76%
Total Split Rated and A2/P2	30	27.24
Total Short-Term Fund		<u>100.0%</u>

Other Restriction

Total Floating Rate Exposure	50%	0.00%
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III. Violations To Policy

None



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. **SUBJECT:** Corporate Governance Co-Investment Program
Performance Review
- II. **PROGRAM:** Global Equity
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

Attachment 1 – Long-term performance results relative to the benchmark

Executive Summary

This agenda item addresses the performance of the Corporate Governance Co-Investment Program (the "Program"). The Program manages \$344 million of assets as of June 30, 2011. The objectives of the Program are:

- Produce a positive alpha through the generation of superior investment returns with co-investment opportunities.
- Identify new co-investment opportunities to take advantage of innovative and sustainable investment strategies.

The portfolio managed within the Program tends to be very concentrated with few holdings, and has a very deep "value" style bias. The portfolio positions taken are limited to those situations where the external partners believe an engagement process can affect positive investment returns.

Performance

There are five positions in the Corporate Governance Co-Investment Program's portfolio. The 1 year and inception performance numbers demonstrate a value added of 4.34% and 8.77%, respectively.

V. STRATEGIC PLAN:

This item will further the following goals of CalPERS Strategic Plan:

- Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.
- Goal IX: Achieve long-term, sustainable, risk adjusted returns.

VI. RESULTS/COSTS:

The costs associated with this item are minimal as they are already absorbed by other ongoing CalPERS investment programs.

SHEILA HALOUSEK
Investment Officer
Global Equity

MIKE RIFFLE
Portfolio Manager
Global Equity

ERIC BAGGESEN
Senior Investment Officer
Global Equity

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer

Corporate Governance Co-Investment Program Quarterly Performance Detail For the Period Ending June 30, 2011										
FUND NAME	Number of Positions	Ending Market Value (\$)	Capital Contributed	Capital Distributed	QTR (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	Since Inception (%)
GOVERNANCE FOR OWNERS CO-INVESTMENT FTSE ALL WORLD EUROPE ¹	1	134,038,505			1.06 2.47	54.78 37.43	54.78 37.43	2.84 -1.45		-6.22 -3.17
KNIGHT VINKE CO-INVESTMENT FTSE WORLD EUROPE ¹	3	134,045,003		15,357,025	-2.02 0.75	28.24 32.69	28.24 32.69	-10.01 -4.78	2.81 -0.72	4.30 -0.44
NEW MOUNTAIN CO-INVESTMENT S&P 500 INDEX	1	76,266,566		3,974,935	0.51 0.10	55.28 30.69	55.28 30.69	9.59 3.34		15.73 1.25
RELATIONAL CO-INVESTMENT ² CUSTOM S&P 500	0	0								
TOTAL CORPORATE GOVERNANCE CO-INVESTMENT	5	344,350,075			-0.52	39.36	39.36	5.86	7.71⁴	15.73
CALPERS CORPORATE GOVERNANCE INTERNAL (BENCHMARK)³					1.40	35.02	35.02	1.09	2.10	6.96
Excess					-1.92	4.34	4.34	4.77	5.61	8.77

State Street methodology is CFA Institute Compliant
All figures are net of fees for periods ending June 30, 2011
Inception dates for each manager are based on the initial investment

1. The FTSE All World Europe includes Emerging while the FTSE World Europe excludes Emerging.
2. Completely liquidated co-investment position as of the end of November 30, 2010.
3. The benchmark for the Program is the portfolio market value weighted total return for the benchmark for each external partner with whom an actual co-investment has been made.
4. The composite performance includes the history from the Relational Co-investment



California Public Employees' Retirement System
External Affairs Branch
Office of Stakeholder Relations
P.O. Box 942701
Sacramento, CA 94229-2701
TTY: (916) 795-3240
(916) 795-3991 phone • (916) 795-3507 fax
www.calpers.ca.gov

August 15, 2011

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Quarterly Public Records Act Requests
- II. PROGRAM:** Office of Stakeholder Relations
- III. RECOMMENDATION:** None - Information Only
- IV. ANALYSIS:**

The following is attached:


- A.** Quarterly Public Records Act Requests Report

V. STRATEGIC PLAN:

This item is not a specific product of either the Strategic or Annual Plans, but is part of the ongoing workload of the Office of Stakeholder Relations

VI. RESULTS/COSTS:

This information is provided to assist the Board in its oversight of responsibilities delegated to its staff. Providing the information does not involve any additional costs to the System, but results in the dual benefits of greater Board awareness of issues and greater disclosure to CalPERS' participants.



Laura Enderton
Stakeholder Relations Manager

PUBLIC RECORDS ACT REQUESTS
April 1, 2011 – June 30, 2011

Request Date	Requestor	Subject	Response
4/27/11	Individual	Contracts btwn CalPERS and UBS/Private Equity	Final response mailed 5/10/11
4/29/11	Individual	Private Equity Performance Funds	Final response mailed 5/30/11
4/29/11	Business	Investment/management partnerships	Final response mailed 5/30/11
5/9/11	Media	Permira IV Investment	Extension granted, pending information from requestor.
5/13/11	Business	Complete portfolio of pension fund	Final response mailed 6/6/11
5/24/11	Individual	Alternative Asset Investments and infrastructure	Final response mailed 5/29/11
5/27/11	Business	Apollo Real Estate Finance Agreement 2005	Final response mailed 6/3/11
5/29/11	Individual	2011 Current Contact List EMFSP database	Referred requestor to Altura website
5/31/11	Business	Apollo Real Estate Finance Agreement 2006	Final response mailed 6/3/11



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Sacramento, CA 95812-2749
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Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Quarterly Spring-Fed Pool
Consultant Contract Status, as of June 30, 2011
- II. PROGRAM:** Policy and Business Support Division
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

The enclosed Quarterly Spring-Fed Pool Consultant Contract Status Report for the period ending June 30, 2011, has been prepared by staff from the Policy and Business Support Division (PBSB). The report details Letter of Engagement (LOE) commitments of \$24,479,423 for spring-fed pool contractors since July 1, 2010. Actual expenditures against these commitments may be less, but never greater than this amount, unless agreed upon by CalPERS through an amended letter of engagement.

V. STRATEGIC PLAN:

Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

The data in the report has been gathered from the Investment Office to provide information to the Investment Committee on the commitments made to contractors from the Investment Office spring-fed pools.

KAMI NIEBANK, Chief
Policy and Business Support Division

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer

Spring-Fed Pool Letter of Engagement Commitment Report
July 1, 2010 to June 30, 2011

Attachment 1

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason	
Q3	AIM	AIM Spring-Fed Pool	Capital Dynamics (Contract #2009-5125)	06/28/10	06/30/11	Portfolio Assistance	\$250,000	Specialized Global Expertise	
Subtotal							\$250,000		
Q3	AIM	AIM Spring-Fed Pool	Cogent Partners (Contract # 2006-3888)	07/01/10	06/30/11	Portfolio Assistance	\$75,600	Specialized expertise unmet by other consultants	
Subtotal							\$75,600		
Q4	AIM	AIM Spring-Fed Pool	Hamilton Lane (Contract #2006-3889)	04/11/11	06/30/11	AIM California Investment Analysis	\$900,000	Specialized expertise advising CalPERS on California Investing	
Subtotal							\$900,000		
Q1	AIM	AIM Spring-Fed Pool	L P Capital Advisors (Contract #2006-3892)	07/01/10	06/30/11	Portfolio Assistance	\$2,600,000	Specialized expertise - Ability to meet short timeframes	
Q1				07/01/10	06/30/11	Financial Accounting and Tax Services	\$400,000	Specialized expertise - Ability to meet short timeframes	
Q1				07/01/10	06/30/11	Strategic Advice Services	\$200,000	Specialized expertise - Ability to meet short timeframes	
Q2				10/06/10	06/30/11	Due Diligence Assistance	\$25,000	Specialized expertise - Ability to meet short timeframes	
Q2				10/06/10	06/30/11	Due Diligence Assistance	\$25,000	Specialized expertise - Ability to meet short timeframes	
Q2				PBSD	11/01/10	06/30/11	Investment Proposal Tracking System Business Process Support	\$100,000	Experience with CalPERS business process
Q3	AIM				02/14/11	06/30/11	Due Diligence Assistance	\$25,000	Specialized expertise - Ability to meet short timeframes
Q4					03/21/11	06/30/11	Due Diligence Assistance	\$25,000	Best Value (Determined through bid request process)
Q4					03/25/11	06/30/11	Due Diligence Assistance	\$25,000	Best Value (Determined through bid request process)
Q4					03/31/11	06/30/11	Due Diligence Assistance	\$25,000	Best Value (Determined through bid request process)
Q4					06/01/11	06/30/11	Due Diligence Assistance	\$25,000	Specialized expertise - Ability to meet short timeframes
Subtotal							\$3,475,000		
Q1	AIM	AIM Spring-Fed Pool	Pacific Community Ventures (Contract #2006-3894)	07/01/10	06/30/11	Evaluation of Non-Financial Benefits of the California Initiative	\$184,500	Specialized expertise unmet by other pool consultants	
Q2	INVO			10/28/10	02/14/11	Research and Analysis Pertaining to CalPERS Investments in California	\$79,600	Specialized expertise unmet by other pool consultants	
Q3				10/28/10	02/14/11	Research and Analysis Pertaining to CalPERS Investments in California (Amendment to Increase LOE from Q2)	\$25,390	Specialized expertise unmet by other pool consultants	
Subtotal							\$289,490		
Q2	AIM	AIM Spring-Fed Pool	Pension Consulting Alliance (Contract # 2009-5106)	10/18/10	12/15/10	Due Diligence Assistance	\$40,000	Specialized expertise - Ability to meet short timeframes	
Q3				06/01/10	06/30/11	Portfolio Assistance	\$145,000	Specialized knowledge as private equity consultant to the Board	
Subtotal							\$185,000		
Q4	AIM	AIM Spring-Fed Pool	SL Capital Partners (Contract #2008-4806)	03/31/11	06/30/11	Due Diligence Assistance	\$30,000	Specialized expertise unmet by other consultants	
Subtotal							\$30,000		
Total AIM Engaged Amount							\$5,205,090		

Spring-Fed Pool Letter of Engagement Commitment Report
July 1, 2010 to June 30, 2011

Attachment 1

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q3	AIM	AIM Spring-Fed Pool	UBS Securities (Contract No. 2009-5120)	01/10/11	03/31/11	Portfolio Rebalance Secondary Sale	\$3,035,749	Specialized expertise unmet by other pool consultants
Q4			Cogent Partners (Contract # 2006-3888)	02/07/11	06/30/11	Portfolio Rebalance Secondary Sale	\$3,356,000 *Deal still in progress	Specialized expertise - Extensive experience advising institutional clients with secondary sales
Subtotal							\$6,391,749	
Total AIM Engaged Amounts - Secondary Sales (Payment will be netted from sale proceeds)							\$6,391,749	
Q1	Global Equity	Corporate Governance Proxy Resource Spring-Fed Pool	Garland Associates, Inc. (Contract #2009-5434)	08/01/10	09/15/10	Proxy Solicitation Services	\$33,500	Only contractor in pool
Q2				10/04/10	11/16/10	Proxy Solicitation Services	\$15,500	Only contractor in pool
Q3				01/07/11	03/04/11	Proxy Solicitation Services	\$33,500	Only contractor in pool
Q4				03/21/11	04/30/11	Proxy Solicitation Services	\$33,500	Only contractor in pool
Q4				03/22/11	05/31/11	Proxy Solicitation Services	\$33,500	Only contractor in pool
Total Corporate Governance Proxy Resource Engaged Amount							\$149,500	
Q2	Global Equity	Corporate Governance Research Pool	Corporate Library, LLC, The (Contract # 2010-5540)	10/08/10	11/15/10	Market Governance and Trend Analysis Data	\$81,000	Only pool contractor with necessary data to support corporate engagements
Q3				01/01/11	06/30/11	Development and Implement a Web-Accessible Diverse Director Database (3D)	\$120,000	Only pool contractor with expertise to perform the work
Subtotal							\$201,000	
Q2	Global Equity	Corporate Governance Research Pool	Wilcox Miller & Nelson (Contract # 2010-5535)	10/15/10	06/30/11	Consulting Services - Corporate Board Recruitment	\$205,000	Only pool contractor with expertise to perform the work
Subtotal							\$205,000	
Total Corporate Governance Engaged Amount							\$406,000	
Q1	Global Equity	Diversity Spring-Fed Pool	Mosaic Investment Advisors Inc. (Contract # 2005-3881)	06/24/10	04/30/11	Consulting Services - Selection and Use of Emerging and Diverse Vendors	\$220,000	Only pool contractor with expertise to perform the work
Q2	INVO			06/30/10	04/30/11	Diversity Investment Advisory Services	\$100,000	Only pool contractor with expertise to perform the work
Q2	Global Equity			10/26/10	04/30/11	Consulting Services - Diversity Brokerage Services Assistance	\$117,466	Only pool contractor with expertise to perform the work
Q2				10/27/10	04/30/11	Consulting Services - External Manager Database Assistance	\$134,000	Only pool contractor with expertise to perform the work
Subtotal							\$571,466	
Q2	PBSD	Diversity Spring-Fed Pool	RG & Associates (Contract # 2005-3882)	08/04/10	08/04/10	INVO Leadership Team Offsite Presentation Assistance	\$3,500	Existing relationship/ provided previous services
Subtotal							\$3,500	
Total Diversity Engaged Amount							\$574,966	
Q1	OPTD	General Pension Consultant Spring-Fed Pool	Cutter Associates, Inc. (Contract #2009-5104)	07/01/10	06/20/11	Investment Proposal Tracking System	\$120,000	Experience with client information management
Q1				08/23/10	12/31/10	Target Operating Model	\$160,640	Experience with client information management
Q2				08/23/10	12/31/10	Target Operating Model (Amendment to Increase LOE from Q1)	\$69,760	Experience with client information management
Q2				12/01/10	06/30/11	Enhancements - Investment Proposal Tracking System	\$24,000	Experience with client information management
Subtotal							\$374,400	

Spring-Fed Pool Letter of Engagement Commitment Report
July 1, 2010 to June 30, 2011

Attachment 1

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q1	Global Equity	General Pension Consultant Spring-Fed Pool	Mercer Investment Consulting (Contract #2009-5110)	07/22/10	07/31/11	Investment, Environmental, Social and Governance -Total Fund Integration	\$310,000	Corporate governance experience related to climate change issues
Subtotal							\$310,000	
Q1	INVO	General Pension Consultant Spring-Fed Pool	Pension Consulting Alliance, Inc. (Contract # 2009-5105)	07/01/11	06/30/11	Back-up to the Primary Pension Consultant	\$150,000	Consultant selected by Board
Q1	Real Estate			07/01/10	06/30/11	Primary Real Estate Consulting Services - Fee Increase	\$432,000	Consultant selected by Board
Subtotal							\$582,000	
Q3	OPTD	General Pension Consultant Spring-Fed Pool	R.V. Kuhns & Associates (Contract # 2009-5112)	08/24/09	03/01/10	Investment Committee Market Environments and Performance Summaries	\$3,375	Consultant selected by Board
Subtotal							\$3,375	
Q1	INVO	General Pension Consultant Spring-Fed Pool	Robert H. Schaffer & Associates, LLC (Contract # 2010-5633)	09/01/10	06/30/11	Strategic Consulting Services Rapid Results Projects	\$150,000	Organizational and structural analysis experience
Q1				09/01/10	06/30/11	Strategic Consulting Services Work Out Process	\$100,000	Organizational and structural analysis experience
Q1				09/01/10	06/30/11	Strategic Consulting Services Rapid Results Projects	\$150,000	Organizational and structural analysis experience
Q2				10/01/10	11/30/10	Heat Map Initiative (Subbed to Aon Risk)	\$50,000	Only contractor in pool with expertise to perform the work
Subtotal							\$450,000	
Q3	Global Equity	General Pension Consultant Spring-Fed Pool	Wilshire Associates (Contract # 2009-5114)	01/24/11	03/31/11	Consulting Services - Portfolio Advice and Research	\$75,000	Specialized knowledge of the CalPERS portfolio
Subtotal							\$75,000	
Total General Pension Engaged Amount							\$1,794,775	
Q4	Exec	Investment Executive Search Spring-Fed Pool	Greenleaf Systems (Contract 2009-5361)	05/09/11	Until Completed	Global Recruitment for Senior Portfolio Manager/Investment Services/Benchmark Recruitment	\$43,000	Only vendor to respond to the bid selection letter
Q4				05/09/11	Until Completed	Global Recruitment for Portfolio Manager-Investment Technology	\$98,000	Only vendor to respond to the bid selection letter
Subtotal							\$141,000	
Q4	AA/RM	Investment Executive Search Spring-Fed Pool	Heidrick & Struggles (Contract #2009-5360)	04/15/11	Until Completed	Global Recruitment for Portfolio Manager - Asset Allocation	\$70,000	Specialized expertise - recent experience with similar recruitments
Q4				04/15/11	Until Completed	Global Recruitment for Senior Portfolio Manager - Strategic Risk (Amendment to Increase LOE from Q4)	\$100,000	Specialized expertise - recent experience with similar recruitments
Subtotal							\$170,000	
Q2	AIM	Investment Executive Search Spring-Fed Pool	Ridgeway Partners LLC (Contract # 2009-5358)	10/01/10	Until Completed	Global Recruitment for Senior Investment Officer - Alternative Investments	\$133,000	Proposal best met recruitment requirements
Q2	Fixed Income			10/01/10	Until Completed	Global Recruitment for Portfolio Manager - Global Fixed Income	\$108,000	Proposal best met recruitment requirements
Q4	Exec			04/20/11	Until Completed	Global Recruitment for Compliance and Operational Risk	\$382,000	Specialized expertise - experience with INVO recruitments
Subtotal							\$623,000	
Total Investment Executive Search Engaged Amount							\$934,000	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Bard Consulting LLC (Contract # 2010-5565)	07/01/10	09/30/10	Consulting Services - Independent Fiduciary Report Assistance	\$32,000	Existing relationship/ project continued
Q4				4/13//11	05/13/11	Consulting Services- Review Annual Investment Plans	\$6,600	Existing knowledge of the investment or organization

Spring-Fed Pool Letter of Engagement Commitment Report
July 1, 2010 to June 30, 2011

Attachment 1

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q4	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Bard Consulting LLC (Contract # 2010-5565)	05/01/11	12/31/11	Consulting Services - Developing Sector Plans	\$97,500	Specialized expertise - In Sector Plan
Subtotal							\$136,100	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Callan Associates, Inc. (Contract #2010-5562)	09/02/10	06/30/11	Funds Review	\$195,000	Provides similar services to other clients/coverage overlap
Q1				09/08/10	06/30/11	Portfolio Monitoring Assistance	\$183,500	Existing coverage of the investment or organization
						Subtotal	\$378,500	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Courtland Partners, Ltd. (Contract #2010-5558)	07/26/10	12/31/10	Funds Review	\$73,000	Lowest cost
Q1				07/15/10	06/30/11	Portfolio Monitoring Assistance	\$170,000	Provides similar services to other clients/coverage overlap
Q2				11/15/10	11/15/11	Funds Review	\$60,000	Lowest cost, provides similar services to other clients
Q4				05/01/11	09/30/11	Consulting Services - Proposal Evaluation & Due Diligence	\$62,500	Specialized expertise - In technology based property type
Subtotal							\$365,500	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Crosswater Realty Advisors, LLC (Contract #2010-5557)	07/01/10	06/30/11	Asset Transfer Services	\$340,000	Provides similar services to other clients/coverage overlap
Q1				09/01/10	06/30/11	Organizational Structure Development Support	\$100,000	Existing relationship/ project continued
Q2				10/01/10	06/30/11	Consulting Services - Emerging Manager Program Design Assistance	\$150,000	Existing project/ lowest cost
Q3				07/01/10	06/30/11	Asset Transfer Services (Amendment to Increase LOE from Q1)	\$100,000	Provides similar services to other clients/coverage overlap
Q3				09/01/10	06/30/11	Organizational Structure Development Support (Amendment to Increase LOE from Q1)	\$50,000	Existing relationship/ project continued
Q3				01/15/11	04/30/11	Consulting Services - Evaluation and Portfolio Review	\$38,000	Existing knowledge of the investment or organization
Q4				09/01/10	06/30/11	Organizational Structure Development Support (Amendment to Increase LOE from Q1)	\$50,000	Existing relationship/ project continued
Q4				04/19/11	12/30/11	Consulting Services - Evaluation and Portfolio Review	\$150,000	Existing knowledge of the investment or organization
Q4				04/28/11	06/30/12	Consulting Services - Recommendation on Proposed Asset Swap	\$150,000	Existing knowledge of the investment or organization
Q4				05/03/11	06/30/11	Consulting Services - Evaluation and Fund Review	\$29,000	Existing knowledge of the investment or organization
Subtotal							\$1,157,000	
Q2	Real Estate	Real Estate Consulting Services Spring-Fed Pool	JDM Associates, LLC. (Contract # 2010-5552)	10/01/10	06/30/11	Consulting Services - Environmental Goal Initiative	\$120,320	Existing project, continued with new contract
Subtotal							\$120,320	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Le Plastrier (Contract #2010-5550)	07/01/10	06/30/11	Consulting Services - CURE Urban Deleveraging Analysis and Plan	\$210,000	Existing project, continued with new contract
Q1				07/01/10	12/31/10	Urban Real Estate Program, Portfolio Oversight and Coordination	\$285,000	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Asset Analysis	\$85,000	Existing project, continued with new contract

Spring-Fed Pool Letter of Engagement Commitment Report
July 1, 2010 to June 30, 2011

Attachment 1

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Le Plastrier (Contract #2010-5550)	07/01/10	06/30/11	Consulting Services - Portfolio Advice and Research	\$45,000	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Consulting Services - Evaluation and Portfolio Review	\$210,000	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Consulting Services - Oversight and General Monitoring	\$120,000	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Consulting Services - Portfolio Advice and Research	\$210,000	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Consulting Services - Management Oversight	\$150,000	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Asset Review and Manager Monitoring	\$100,000	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Analysis of the Urban Program, its Partners and Projects	\$400,000	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Consulting Services - Management Oversight	\$150,000	Existing project, continued with new contract
Q3				02/01/11	06/30/11	Consulting Services - Evaluation and Portfolio Review (Amendment to Increase LOE from Q1)	\$210,000	Existing project, continued with new contract
Q3				02/01/11	06/30/11	Consulting Services - Oversight and General Monitoring (Amendment to Increase LOE from Q1)	\$120,000	Existing project, continued with new contract
Q3				02/01/11	06/30/11	Consulting Services - Portfolio Advice and Research (Amendment to Increase LOE from Q1)	\$210,000	Existing project, continued with new contract
Q3				02/01/11	06/30/11	Consulting Services - Management Oversight (Amendment to Increase LOE from Q1)	\$150,000	Existing project, continued with new contract
Q3				01/01/11	06/30/11	Consulting Services - Oversight and General Monitoring	\$285,000	Existing knowledge of the investment or organization
Subtotal							\$2,940,000	
Q2	Real Estate	Real Estate Consulting Services Spring-Fed Pool	L P Capital Advisors (Contract # 2010-5548)	10/01/10	09/30/11	Portfolio Assistance	\$143,500	Provides similar services to other clients/coverage overlap
Q2	PBSD			12/01/10	04/30/11	Contracts Operational Review and Process Improvement Assistance	\$180,000	Experience with CalPERS business process
Subtotal							\$323,500	
Q4	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Mayer Hoffman McCann P.C. (Contract # 2010-5575)	07/01/10	07/31/10	Waterfall Calculation - Continued Services	\$1,195	Only pool contractor with expertise to perform the work
Q4				07/01/10	03/31/11	Incentive Fee Verification	\$66,628	Only pool contractor with expertise to perform the work
Subtotal							\$67,823	
Q1	Infrastructure & Forestland	Real Estate Consulting Services Spring-Fed Pool	Meketa Investment Group, Inc. (Contract #2010-5577)	08/17/10	08/31/10	Portfolio Review of the Forestland Program	\$50,000	Only pool contractor with expertise to perform the work
Subtotal							\$50,000	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Nichols Consulting (Contract #2010-5573)	08/01/10	06/30/11	Development of Internal Staff Procedures Manual	\$100,000	Only pool contractor with expertise to perform the work / existing relationship
Q1				07/01/11	06/30/11	Asset Transfer Services	\$100,000	Provides similar services to other clients/coverage overlap
Q3				12/15/10	07/31/11	Consulting Services - Annual Budgeting and Planning Initiative	\$210,000	Experience with CalPERS business process

Spring-Fed Pool Letter of Engagement Commitment Report
July 1, 2010 to June 30, 2011

Attachment 1

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q4	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Nichols Consulting (Contract #2010-5573)	07/01/10	06/30/11	Asset Transfer Services (Amendment to Increase LOE from Q1)	\$5,875	Provides similar services to other clients/coverage overlap
Q4				04/15/11	06/30/12	Consulting Services - PMG Initiatives	\$45,000	Experience with CalPERS business process
Subtotal							\$460,875	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Pension Consulting Alliance, Inc. (Contract #2010-5571)	07/01/10	06/30/11	Asset Transfer Services	\$924,900	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Manager Monitoring and Oversight	\$353,750	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Portfolio Monitoring Assistance	\$312,500	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Program Review (Responsible Contractor Program Policy)	\$139,025	Existing project, continued with new contract
Q1				07/01/10	06/30/11	Strategic Plan Development	\$115,000	Only pool contractor with expertise to perform the work / existing relationship
Q3				12/07/10	12/31/10	Consulting Services - Investment Research and Opinion	\$14,500	Existing knowledge of the investment or organization
Q3				01/02/11	06/30/11	Asset Transfer Services	\$305,000	Existing project, continued with new contract
Q3				01/02/11	06/30/11	Analysis of Annual Investment Plans	\$49,875	Existing project, continued with new contract
Q4				01/15/11	04/30/11	Consulting Services - Portfolio Advice and Research	\$25,500	Existing knowledge of the investment or organization
Q4				01/15/11	04/30/11	Strategic Plan Assistance & Development	\$85,000	Existing knowledge of the investment or organization
Subtotal							\$2,325,050	
Q2	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Situs Strategic Advisors, LLC (Contract # 2010-5568)	08/02/10	12/31/10	Legal Support & Services	\$48,875	Only pool contractor with expertise to perform the work
Subtotal							\$48,875	
Q3	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Townsend (Contract # 2010-5567)	03/01/11	02/29/12	Consulting Services - Portfolio Analysis and Research	\$275,000	Experience with ODCE Index Funds
Q4				03/15/11	06/30/11	Strategic Review	\$30,000	Experience in Emerging Market countries
Subtotal							\$305,000	
Total Real Estate Engaged Amount							\$8,678,543	
Q2	Infrastructure & Forestland	ILAC Spring-Fed Pool	Meketa Investment Group (Contract # 2008-4936)	10/17/10	03/31/11	Development of Internal Staff Procedures Manual	\$89,000	Specialized expertise - Ability to meet short timeframes
Q3				01/26/11	03/01/12	CalPERS Program Advisory Services	\$115,100	Consultant selected by Board
Q3				02/08/11	04/29/11	Development of Best Practices Guidelines	\$69,600	Specialized expertise unmet by other consultants
Q4				05/16/11	9/31/11	Portfolio Review	\$25,000	Existing knowledge of the investment or organization
Q4				06/06/11	06/28/11	Assist in Conducting a Review of California Opportunities	\$46,100	Specialized expertise - Ready knowledge of Infrastructure market in California to meet short timeframes
Total ILAC Engaged Amount							\$344,800	
Grand Total Spring-Fed Pool Consultants Engaged Amount							\$24,479,423	



California Public Employees' Retirement System
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
TTY: (916) 795-3240
(916) 795-3400 phone
www.calpers.ca.gov

Supplemental Item

August 15, 2011

TO: MEMBERS OF THE INVESTMENT POLICY SUBCOMMITTEE

- I. SUBJECT:** Whole Loan Modification Program
- II. PROGRAM:** Member Home Loan Program
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

The Committee approved Member Home Loan Program (MHLP) loss mitigation strategies allowing for non-conforming (whole) loan modifications, which minimize losses to the Fund. Whole loan delinquencies constitute a risk exposure to the Public Employees' Retirement Fund. As of June 30, 2011, there was \$57,753,861 in total unpaid balances with 172 delinquent loans. The chart below illustrates MHLP whole loan delinquencies.

Stage	# of Loans	% Delinquent		Unpaid Principal Balance	% Delinquent
30 Days	48	4.93%		\$15,471,718	5.00%
60 Days	15	1.54%		\$5,652,515	1.83%
90 Days	45	4.62%		\$15,599,652	5.04%
Bankruptcy	14	1.44%		\$3,994,782	1.29%
Foreclosure	33	3.39%		\$12,235,489	3.96%
CalPERS Owned	17	1.75%		\$4,799,705	1.55%
Total Delinquent	172	17.66%		\$57,753,861	18.67%
Totals	974			\$309,331,418	

Since the approval of the Whole Loan Modification Program by the Investment Committee on April 19, 2010, the CalPERS Member Home Loan Program has continued to process whole loan modifications. As of June 30, 2011, the MHLP has issued modification packages for 83 CalPERS owned whole loans representing a total unpaid balance of \$ 27,665,487. Of 83 loss mitigation packages issued, 28 are in review, 21 have been denied and 17 have been approved. Seventeen modification packages received no response, which included 2 bankruptcies.

V. STRATEGIC PLAN:

- Goal VI to administer pension benefit services in a customer oriented and cost effective manner.
- Goal IX to achieve long-term, sustainable, risk adjusted returns.

VI. RESULTS/COSTS:

The PERF is exposed to the risk of not collecting the unpaid balances. These loss mitigation strategies are to minimize losses to the Fund. Since loan modifications are customized for each borrower involving both interest rate and principal reductions, it is difficult to estimate overall costs.

BARBARA LARA
Assistant Division Chief
Affiliate Investment Programs

GERALDINE JIMENEZ
Division Chief
Affiliate Investment Programs

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer